ELIOR GROUP S.A.

€550,000,000 3.750% Senior Notes due 2026

Elior Group, a *société anonyme* organized under the laws of the Republic of France (the "**Issuer**" or "**Elior**"), is offering (the "**Offering**") €550,000,000 aggregate principal amount of its 3.750% Senior Notes due 2026 (the "**Notes**"). The Notes will be issued pursuant to an indenture (the "**Indenture**") to be dated July 8, 2021 (the "**Issue Date**") by and between the Issuer, *inter alios,* U.S. Bank Trustees Limited as trustee (the "**Trustee**") and Elavon Financial Services DAC as paying agent, transfer agent and registrar.

The Notes will bear interest equal to 3.750% per annum. Interest will be payable on the Notes semi-annually in arrears on January 15 and July 15 of each year, commencing on January 15, 2022. The Notes will mature on July 15, 2026. The Issuer may, at its option, redeem the Notes in whole or in part at any time prior to July 15, 2023, at a redemption price equal to 100% of their principal amount, plus a "make-whole" premium and accrued and unpaid interest, and on or after July 15, 2023, by paying the applicable redemption price set forth in this listing memorandum (the "**Offering Memorandum**"). In addition, at any time on or prior to July 15, 2023, the Issuer may redeem up to 40% of the principal amount of the Notes with the net proceeds from one or more qualifying equity offerings. In the event of certain developments affecting taxation, the Issuer may redeem all, but not less than all, of the Notes. In addition, holders of the Notes may cause the Issuer to redeem the Notes, at a redemption price equal to 101% of the outstanding principal amount thereof, plus accrued and unpaid interest, if the Issuer undergoes certain events constituting a change of control and a ratings decline or sells certain assets. See "*Description of the Notes*."

The Notes will be senior unsecured obligations of Elior. The Notes will rank equally with all of Elior's existing and future unsecured senior debt and senior to all its existing and future subordinated debt. The Notes will be effectively subordinated to all secured indebtedness of Elior to the extent of the value of the assets securing such indebtedness and to all obligations of its subsidiaries.

On or about the Issue Date, Elior Participations S.C.A., the direct subsidiary of the Issuer (the "**Issue Date Guarantor**"), will guarantee the due and punctual payment of certain amounts due and payable in respect of the Notes on a senior unsecured basis (the "**Issue Date Guarantee**"). No later than October 31, 2021, certain French, Spanish, Italian, and English subsidiaries of Elior (the "**Post Issue Date Guarantors**" and together with the Issue Date Guarantor, the "**Guarantors**") will guarantee the due and punctual payment of certain amounts due and payable in respect of the Notes (the "**Post Issue Date Guarantees**," and together with the Issue Date Guarantee, the "**Guarantees**"). Each Guarantee will rank equally with all of such Guarantor's existing and future unsecured senior debt and senior to all its existing and future subordinated debt. Each Guarantee will be effectively subordinated to all secured indebtedness of such Guarantor to the extent of the value of the assets securing such indebtedness and to all obligations of such Guarantor's subsidiaries.

Investing in the Notes involves risks. You should carefully consider the risk factors beginning on page 26 of this Offering Memorandum before investing in the Notes.

There is currently no market for the Notes. The Issuer will apply to list the Notes offered hereby on the Official List of the Luxembourg Stock Exchange and for admission to trading on the Euro MTF Market of the Luxembourg Stock Exchange. The Notes will be represented on issue by a permanent global note, which will be delivered through Euroclear Bank SA/NV ("**Euroclear**") or Clearstream Banking, S.A. ("**Clearstream**") on or about the Issue Date. See "*Book-Entry, Delivery and Form*."

Issue Price for the Notes: 100%, plus accrued interest, if any, from Issue Date.

The Notes are being offered and sold in offshore transactions outside the United States in reliance on Regulation S under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"). The Notes have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. See "*Plan of Distribution*" and "*Transfer Restrictions*" for additional information about eligible offerees and transfer restrictions.

This Offering Memorandum constitutes a prospectus for purposes of Part IV of the Luxembourg Act on prospectuses for securities dated July 16, 2019.

Joint Global Coordinators

BNP PARIBAS *(Sole Physical Bookrunner)* **Crédit Agricole CIB** **Rabobank**

Joint Bookrunners

Natixis **CIC Market Solutions** **Société Générale**

Co-Managers

Mediobanca **BBVA**

The date of this Offering Memorandum is July 8, 2021.

You should rely only on the information contained in this Offering Memorandum. None of the Issuer, the Guarantors, the Trustee, the Agents or the Initial Purchasers have authorized anyone to provide you with information that is different from the information contained herein. If given, any such information should not be relied upon. None of the Issuer, the Guarantors or the Initial Purchasers are making an offer of the Notes in any jurisdiction where the Offering is not permitted. You should not assume that the information contained in this Offering Memorandum is accurate as of any date other than the date on the front of this Offering Memorandum.

TABLE OF CONTENTS

IMPORTANT INFORMATION ABOUT THIS OFFERING MEMORANDUM

This Offering Memorandum has been prepared by us solely for use in connection with the Offering.

You are not to construe the contents of this Offering Memorandum as investment, legal or tax advice. You should consult your own counsel, accountant and other advisors as to the legal, tax, business, financial and related aspects of purchasing the Notes. You are responsible for making your own examination of the Issuer and your own assessment of the merits and risks of investing in the Notes. We are not, and none of the Trustee, the Agents (as defined herein) and Initial Purchasers (as defined herein) are, making any representation to you regarding the legality of an investment in the Notes by you under applicable investment or similar laws. You may contact us if you need any additional information. By purchasing the Notes, you will be deemed to have acknowledged that:

- you have reviewed this Offering Memorandum; and
- you have had an opportunity to request any additional information that you need from us.

No person is authorized in connection with any offering made by this Offering Memorandum to give any information or to make any representation not contained in this Offering Memorandum and, if given or made, any other information or representation must not be relied upon as having been authorized by us or the Initial Purchasers. The information contained in this Offering Memorandum is as of the date hereof and subject to change, completion or amendment without notice. The delivery of this Offering Memorandum at any time after the date hereof shall not, under any circumstances, create any implication that there has been no change in the information set forth in this Offering Memorandum or in our affairs since the date of this Offering Memorandum. The information contained in this Offering Memorandum has been furnished by us and other sources we believe to be reliable. No representation or warranty, express or implied, is made by the Initial Purchasers, any of the Trustee or the Agents or their respective directors, affiliates, advisors and agents as to the accuracy or completeness of any of the information set forth in this Offering Memorandum, and nothing contained in this Offering Memorandum is, or shall be relied upon as, a promise or representation by the Initial Purchasers or their respective directors, affiliates, advisors and agents, whether as to the past or the future. Certain documents are summarized herein, and such summaries are qualified entirely by reference to the actual documents, copies of which will be made available to you upon request. By receiving this Offering Memorandum, you acknowledge that you have not relied on the Initial Purchasers, any of the Trustee or the Agents or their respective directors, affiliates, advisors and agents in connection with your investigation of the accuracy of this information or your decision to invest in the Notes. We undertake no obligation to update this Offering Memorandum or any information contained in it, whether as a result of new information, future events or otherwise, save as required by law.

This Offering Memorandum does not constitute an offer to sell or an invitation to subscribe for or purchase any of the Notes in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation. You must comply with all laws that apply to you in any place in which you buy, offer or sell any of the Notes or possess this Offering Memorandum. You must also obtain any consents or approvals that you need in order to purchase any of the Notes. We, the Initial Purchasers, the Trustee and the Agents are not responsible for your compliance with these legal requirements.

We reserve the right to withdraw the Offering at any time. We are making the Offering subject to the terms described in this Offering Memorandum and the purchase agreement relating to the Notes (the "**Purchase Agreement**"). We and the Initial Purchasers may, for any reason, reject any offer to purchase the Notes in whole or in part, sell less than the entire principal amount of the Notes offered hereby or allocate to any purchaser less than all of the Notes for which it has subscribed.

In connection with the Offering, the Initial Purchasers are not acting for anyone other than the Issuer and will not be responsible to anyone other than the Issuer for providing the protections afforded to their clients nor for providing advice in relation to the Offering.

We will apply to have the Notes listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market of the Luxembourg Stock Exchange. In the course of any review by the competent authority, we may be required (under applicable law, rules, regulations or guidance applicable to the listing of securities or otherwise) to make certain changes or additions to or deletions from the description of our business, financial statements and other information contained herein in producing listing particulars for such listing. Comments by the competent authority may require significant modification or reformulation of information contained in this Offering Memorandum or may require the inclusion of additional information in the listing particulars. We may also be required to update the information in this Offering Memorandum to reflect changes in our business, financial condition or results of operations and prospects since the publication of this Offering Memorandum. We cannot guarantee that such application for the admission of the Notes to listing on the Official List of the Luxembourg Stock Exchange and trading on the Euro MTF Market will be approved as of the settlement date for the Notes or at any time thereafter, and settlement of the Notes is not conditioned on obtaining this listing. Any investor or potential investor in the EEA should not base any investment decision relating to the Notes on the information contained in this Offering Memorandum after publication of the listing particulars and should refer instead to those listing particulars.

The Issuer accepts responsibility for the information contained in this Offering Memorandum. To the best of the knowledge and belief of the Issuer, having taken all reasonable care to ensure that such is the case, the information contained in this Offering Memorandum is in accordance with the facts and does not omit anything material that is likely to affect the import of such information. However, the content set forth under the headings "*Summary*," "*Industry*" and "*Business*" include extracts from information and data, including industry and market data, released by publicly available sources or otherwise published by third parties. While the Issuer accepts responsibility for accurately extracting and summarizing such information and data, none of the Issuer, the Guarantors, the Initial Purchasers, the Trustee or the Agents have independently verified the accuracy of such information and data, and none of the Issuer, the Guarantors, the Initial Purchasers, the Trustee or the Agents accepts any further responsibility in respect thereof. Furthermore, the information set forth in relation to sections of this Offering Memorandum describing clearing and settlement arrangements, including the section entitled "*Book-Entry, Delivery and Form*," is subject to change in or reinterpretation of the rules, regulations and procedures of Euroclear or Clearstream currently in effect. While the Issuer accepts responsibility for accurately summarizing the information concerning Euroclear and Clearstream, none of the Issuer, the Guarantors, the Initial Purchasers, the Trustee or the Agents accepts further responsibility in respect of such information.

Stabilization

IN CONNECTION WITH THE OFFERING, BNP PARIBAS (THE "**STABILIZING MANAGER**") (OR PERSONS ACTING ON BEHALF OF THE STABILIZING MANAGER) MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILIZING MANAGER (OR PERSONS ACTING ON THEIR BEHALF OF THE STABILIZING MANAGER)

WILL UNDERTAKE STABILIZATION ACTION. ANY STABILIZATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE FINAL TERMS OF THE OFFER OF THE NOTES IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 CALENDAR DAYS AFTER THE DATE ON WHICH THE ISSUER HAS RECEIVED THE PROCEEDS OF THE ISSUE AND 60 CALENDAR DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES. ANY STABILIZATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE STABILIZING MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILIZING MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES AND WILL BE UNDERTAKEN AT THE OFFICES OF THE STABILIZING MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILIZING MANAGER) AND ON THE EURO MTF OR OVER THE COUNTER MARKET.

NOTICE TO INVESTORS

This Offering Memorandum is being provided to investors outside the United States in connection with offshore transactions complying with Rule 903 or Rule 904 of Regulation S. The Notes described in this Offering Memorandum have not been registered with, recommended by or approved by the U.S. Securities and Exchange Commission (the "**SEC**"), any state securities commission in the United States or any other securities commission or regulatory authority, nor has the SEC, any state securities commission in the United States, or any such securities commission or authority passed upon the accuracy or adequacy of this Offering Memorandum. Any representation to the contrary is a criminal offense in the United States.

Notice to investors in the European Economic Area

This Offering Memorandum has been prepared on the basis that any offer of the Notes in any Member State of the EEA will be made pursuant to an exemption under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") from the requirement to publish a prospectus for offers of the Notes. This Offering Memorandum is not a prospectus for the purposes of the Prospectus Regulation.

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "**EEA**"). For these purposes, a "retail investor" means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a "qualified investor" within the meaning of Article 2(e) of the Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No. 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in a Member State of the EEA has been or will be prepared and offering or selling the Notes or otherwise making them available to any retail investor in a Member State of the EEA may be unlawful.

Each person located in a Member State of the EEA to whom any offer of Notes is made, or who receives any communication in respect of an offer of Notes, or who initially acquires any Notes, or to whom the Notes are otherwise made available, will be deemed to have represented, warranted, acknowledged and agreed to and with each Initial Purchaser and the Issuer that it is not a retail investor (as defined above in relation to the EEA).

EEA product governance / Professional investors and ECPs only target market. Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties ("**ECPs**") and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to ECPs and professional clients are appropriate. Any person subsequently offering, selling or recommending such Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

Notice to investors in France

This Offering Memorandum has not been approved by, or registered or filed with the *Autorité des marchés financiers* (the French Financial Markets Authority ("**AMF**")) and does not require a prospectus to be submitted for approval to the AMF. Consequently, the Notes may not be, directly or indirectly, offered or sold in France (other than to qualified investors (*investisseurs qualifiés*) as defined in, and in accordance with, Article 2(e) of the Prospectus Regulation and Article L.411-2 of the *French Code monétaire et financier*), and neither this Offering Memorandum nor any offering or marketing materials relating to the Notes may be made available or distributed in any way in France except to qualified investors.

Notice to investors in the United Kingdom

This Offering Memorandum has been prepared on the basis that any offer of Notes in the United Kingdom (the "**UK**") will be made pursuant to an exemption under Regulation (EU) 2017/1129 as it forms part of domestic law (the "**UK Prospectus Regulation**") by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**") and the Financial Services and Markets Act 2000 (the "**FSMA**") from a requirement to publish a prospectus for offers of such securities. This Offering Memorandum is not a prospectus for the purpose of the UK Prospectus Regulation.

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of domestic law by virtue of the EUWA; (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the EUWA or (iii) not a qualified investor as defined in the UK Prospectus Regulation. Consequently, no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been or will be prepared and, therefore, offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Each person located in the UK to whom any offer of Notes is made, or who receives any communication in respect of an offer of Notes, or who initially acquires any Notes, or to whom the Notes are otherwise made available, will be deemed to have represented, warranted, acknowledged and agreed to and with each Initial Purchaser and the Issuer that it is not a retail investor (as defined above in relation to the UK).

This Offering Memorandum is for distribution only to, and is only directed at, persons who (i) are outside the UK, (ii) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, (the "**Financial Promotion Order**"), (iii) are persons falling within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the Financial Promotion Order or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) in connection with the issue or sale of any Notes may otherwise lawfully be communicated (all such persons together being referred to as "**relevant persons**"). This Offering Memorandum is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Offering Memorandum relates is available only to relevant persons and will be engaged in only with relevant persons.

This Offering Memorandum has not been approved by the Financial Conduct Authority or any other competent authority. Any person who is not a relevant person should not act or rely on this Offering Memorandum or any of its content.

Notice to Investors in Spain

The Notes may not be offered or sold or distributed in Spain, nor may any subsequent resale of the Notes be carried out, or publicity or marketing of any kind be made, in Spain in relation to the Notes except (a) in circumstances which do not require the publication of a prospectus in accordance with the Prospectus Regulation or constitute a public offering (*oferta pública*) of securities within the meaning of section 35 of the Restated Spanish Securities Market Act approved by Royal Legislative Decree 4/2015, of October 23, 2015 (*Real Decreto Legislativo 4/2015, de 23 de octubre, por el que se aprueba el texto refundido de la Ley del Mercado de Valores*), as amended (the "**Securities Market Act**"), as developed by Royal Decree 1310/2005 of November 4, 2005 on admission to listing and on issues and public offers of securities (*Real Decreto 1310/2005 de 4 de noviembre, por el que se desarrolla parcialmente la Ley 24/1988, de 28 de julio, de Mercado de Valores, en materia de admisión a negociación de valores en mercados secundarios oficiales, de ofertas públicas de venta o suscripción y del folleto exigible a tales efectos*), and supplemental rules enacted thereunder or in substitution thereof from time to time or pursuant to an exemption from registration in accordance with such Royal Decree; and (b) by institutions authorized to provide investment services in Spain under Directive 2014/65/EU of the European Parliament and of the Council of May 15, 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU, the Securities Market Act (and related legislation) and Royal Decree 217/2008 of February 15, 2008 on the Legal Regime Applicable to Investment Services Companies (*Real Decreto 217/2008, de 15 de febrero, sobre el régimen jurídico de las empresas de servicios de inversión y de las demás entidades que prestan servicios de inversión*). This Offering Memorandum has not been and will not be registered with the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*) and therefore it is not intended for the public offering or sale of the Notes in Spain.

AVAILABLE INFORMATION

Each purchaser of Notes from the Initial Purchasers will be furnished with a copy of this Offering Memorandum and, to the extent provided to the Initial Purchasers by us, any related amendment or supplement to this Offering Memorandum. Any such request should be directed to Investor Relations, 9-11 allée de l'Arche, 92032 Paris La Défense, France.

Except for the information specifically incorporated by reference in this Offering Memorandum, the information contained on our website does not constitute a part of this Offering Memorandum.

Pursuant to the indenture governing the Notes and so long as the Notes are outstanding, we will furnish periodic information to holders of the Notes. See "*Description of the Notes—Reports*."

FORWARD-LOOKING STATEMENTS

This Offering Memorandum contains various forward-looking statements regarding our outlook and growth prospects. Words such as “expect,” “anticipate,” “assume,” “believe,” “contemplate,” “continue,” “estimate,” “aim,” “forecast,” “intend,” “likely,” “plan,” “positioned,” “potential,” “predict,” “project,” “remain” and other similar expressions, or future or conditional verbs such as “will,” “should,” “would,” “could,” “may,” or “might,” or their negative equivalents identify certain of these forward-looking statements. Other forward-looking statements can be identified in the context in which the statements are made. These statements do not reflect historical or present facts or circumstances. They are not guarantees of future performance and they involve uncertainties and assumptions on matters that are difficult to predict. These forward-looking statements are based on information, assumptions and estimates considered reasonable by our management. They may change or be amended due to uncertainties related to, among other things, the economic, financial, competitive and/or regulatory environment. Forward-looking statements are included in a number of places in this Offering Memorandum, and consist of statements related to our intentions, estimates and objectives concerning, among other things, our markets, strategy, growth, results, financial situation and cash position. The forward-looking statements in this Offering Memorandum are to be understood as of the date of this Offering Memorandum, and we do not accept any obligation to update forward-looking statements to reflect subsequent changes affecting our objectives or any events, conditions or circumstances on which the forward-looking statements are based, except to the extent required by the applicable laws and regulations.

We urge you to read the sections of this Offering Memorandum entitled “*Risk Factors*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*”, “*Industry*” and “*Business*” for a more complete discussion of the factors that could affect our future performance and the markets in which we operate. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this Offering Memorandum may not occur.

All subsequent written and oral forward-looking statements attributable to us or to persons acting on our behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Offering Memorandum, including those set forth under “*Risk Factors*.”

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Presentation of Financial and Other Information

This Offering Memorandum includes and incorporates by reference certain consolidated financial and other data for the Issuer.

The Issuer's consolidated financial information included in this Offering Memorandum has been extracted or derived from the English translations of:

(a) the audited consolidated financial statements of the Issuer and its subsidiaries as of and for the years ended September 30, 2018, 2019 and 2020, prepared in accordance with IFRS. The consolidated financial statements are referred to herein as the "**2018 consolidated financial statements**" for the year ended September 30, 2018, the "**2019 consolidated financial statements**" for the year ended September 30, 2019, the "**2020 consolidated financial statements**" for the referred the year ended September 30, 2020 and collectively as the "**Audited Consolidated Financial Statements**") and each contain the auditors' reports therein; and

(b) the unaudited interim condensed consolidated financial statements of the Issuer and its subsidiaries as of March 31, 2021 and for the six months ended March 31, 2021, prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" (the "**Interim Consolidated Financial Statements**" and together with the Audited Consolidated Financial Statements, the "**Consolidated Financial Statements**") with its auditor limited review report therein.

The opinion of our independent auditors for the year ended September 30, 2020 was unqualified, but included an emphasis of matter relating to the adoption of IFRS 16.

The Consolidated Financial Statements are incorporated by reference into this Offering Memorandum. See "*Information Incorporated by Reference*."

Elior publishes its consolidated financial statements in euros.

Various calculations of figures and percentages in this Offering Memorandum have been subject to rounding adjustments and, as a result, the totals of the data in columns or rows of tables in this Offering Memorandum may vary slightly from the actual arithmetic totals of such information and from the related figures presented in the Consolidated Financial Statements.

Application of IFRS 16 (Leases)

We adopted IFRS 16 (Leases) on October 1, 2019. The main impact of the new standard for lessors is IFRS 16 removes the distinction between operating leases and finance leases. Under this new standard, apart from short-term leases and leases of low-value assets (for which the standard offers an exemption), lessees are required to bring all of their leases on balance sheet, recognizing an asset corresponding to their right to use the leased item and a lease liability representing the obligation to make the fixed lease payments over the term of the lease.

The impact of IFRS 16 on our financial statements mainly relates to real-estate leases, which accounted for approximately 80% of its off-balance sheet commitments as of September 30, 2019.

In accordance with the IFRS 16 transition provisions, we applied the modified retrospective approach and have therefore not restated prior-period comparative figures.

Transition options and exemptions applied by the Group

Right-of-use assets: We decided to measure the right-of-use assets for all of our leases at an amount equal to the corresponding lease liabilities, adjusted for any prepaid or accrued lease payments. Initial direct costs incurred prior to October 1, 2019 were not included in the calculation.

Recognition of leases: We decided to apply IFRS 16 to contracts that had previously been identified as leases under IAS 17, “Leases,” and IFRIC 4, “Determining Whether an Arrangement Contains a Lease.”

Impairment in value: We used the option available under IFRS 16 to recognize provisions for onerous contracts in accordance with IAS 37, with the amount of the provision deducted from the related right-of-use asset.

Exemptions: We decided to recognize payments under short-term leases (i.e. with terms of 12 months or less) and leases of low-value assets (i.e. less than €5,000) in our income statement on a straight-line basis over the lease term.

Lease terms

IFRS 16 defines a lease term as the non-cancellable period for which the lessee has the right to use an underlying asset, including optional periods when an entity is reasonably certain to exercise an option to extend (or not to terminate) a lease. The terms of our leases were determined based on local legislation (most often a nine-year term for real-estate leases in France) and the expected use of the premises. We examined the decisions taken by the IFRS Interpretations Committee on November 26, 2019 concerning how to determine lease terms for automatically renewable leases and leases with no contractual expiry date. The IFRS Interpretations Committee confirmed that the enforceable period of a lease term must be determined based on the economics of a contract rather than just its legal form. We have not identified any material leases whose terms have been re-assessed and for which it expects to use the underlying asset beyond the five-year term of its business plan.

Off-balance sheet commitments

In Note 8 of our 2019 consolidated financial statements, in accordance with the previous lease accounting standard, IAS 17, we presented commitments relating to operating leases and concession fees amounting to €293 million.

At October 1, 2019, we recognized €253 million in lease liabilities in accordance with IFRS 16 for lease contracts that were previously recognized as operating leases under IAS 17. These lease liabilities were measured at the present value of the future remaining lease payments. For the majority of cases, our incremental borrowing rate (corresponding to 2.82%) was used as the discount rate. For more information, see Note 6.1.3 to our 2020 consolidated financial statements incorporated by reference into this Offering Memorandum.

The lease liabilities recognized at October 1, 2019 were lower than the amount previously recognized as commitments for operating leases and concession fees due to the combined impact of the following effects:

- Effects reducing lease liabilities compared with off-balance sheet commitments:
    - the discounting of future lease payments;

- the exclusion of short-term leases and low-value leases.

- Effects increasing lease liabilities compared with off-balance sheet commitments:
  - re-assessment of the renewal options on certain leases;
  - inclusion of concession fees that were not previously taken into account.

Deferred taxes

We recognize deferred taxes related to our right-of-use assets. The impact of IFRS 16 at October 1, was not material in this respect.

Non-IFRS Financial Measures

This Offering Memorandum contains measures and ratios that are not required by or presented in accordance with IFRS, including organic revenue growth, Adjusted EBITA, Adjusted EBITA margin and free cash flow, among others. We present these non-IFRS measures because we believe that they and similar measures are widely used by certain investors as supplemental measures of performance and liquidity. These non-IFRS measures may not be comparable to other similarly titled measures of other companies and may have limitations as analytical tools.

Non-IFRS financial measures not measurements of financial performance under IFRS and should not be considered as alternatives to other indicators of our operating performance, cash flows or any other measure of performance derived in accordance with IFRS. Non-IFRS financial measures as presented in this Offering Memorandum may differ from and may not be comparable to similarly titled measures used by other companies. We present non-IFRS financial measures for informational purposes only. The calculations for non-IFRS financial measures are based on various assumptions. These amounts have not been, and, in certain cases, cannot be, audited, reviewed or verified by any independent accounting firm. This information is inherently subject to risks and uncertainties. It may not give an accurate or complete picture of the financial condition or results of operations of the acquired businesses or other transactions for the periods presented. It may not be comparable to our Audited Consolidated Financial Statements or the other financial information incorporated by reference to this Offering Memorandum and undue reliance should not be placed upon such information when making an investment decision. We present non-IFRS financial measures because we believe they are helpful to investors as measures of our operating performance and ability to service our debt. Non-IFRS financial measures have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our operating results as reported under IFRS.

Definitions of non-IFRS financial measures

We define organic growth between one financial period (“period n”) and the comparable preceding period (“period n-1”) as revenue growth excluding:

- changes in the scope of consolidation resulting from acquisitions, divestments and transfers of operations held for sale that took place during each of the relevant periods, as follows (it being specified that significant acquisitions are acquired companies whose annual revenue corresponds to more than 0.1% of the Group's consolidated revenue for period n-1): (a) for acquisitions completed during period n-1, the Group considers as a "change in scope of consolidation" effect the revenue generated by the acquired operations from the beginning of period n until one year after the date on which the acquired operations were included in the scope of consolidation; (b) for acquisitions completed during period n, the Group considers as a “change in scope of consolidation” effect the revenue generated by the acquired operations from the date on which the acquired operations were included in the scope of consolidation until the end of period n; (c) for divestments completed during period n-1, the Group considers as a "change in scope of consolidation" effect the revenue generated by the divested operations during period n-1; and (d) for divestments completed during period n, the Group considers as a "change in scope of consolidation" effect the revenue generated by the divested operations from the date corresponding to one year before the deconsolidation of the divested operations until the end of period n-1.

However, when the Group compares periods that are not full fiscal years (for example, six-month periods), it determines the effect on revenue of changes in the scope of consolidation as follows: (i) for (a) acquisitions completed during fiscal year n-1 but after the end of period n-1 and (b) acquisitions completed during fiscal year n but before the beginning of period n, the Group considers as a “change in scope of consolidation” effect the revenue generated by the acquired operations during period n; and (ii) for (a) divestments completed during fiscal year n-1 but after the end of period n-1 and (b) divestments completed during fiscal year n but before the beginning of period n, the Group considers as a "change in scope of consolidation" effect the revenue generated by the divested operations in period n-1.

- The effect of changes in exchange rates (the “currency effect”) as described below.

  The Group calculates the currency effect on its revenue growth as the difference between (i) the reported revenue for period n, and (ii) the revenue for period n calculated using the applicable exchange rates for period n-1. The applicable exchange rates for any period are calculated based on the average of the daily rates for that period.

- The effect of changes in accounting methods as described below.

  The effect of changes in accounting policies notably concerns IFRS 15, “Revenue from Contracts with Customers,” which was applied by the Group for the first time as from October 1, 2018.

We define Adjusted EBITA as recurring operating profit including share of profit of equity-accounted investees, adjusted for share-based compensation (stock options and performance shares granted by Group companies) and net amortization of intangible assets recognized on consolidation.

We define Adjusted EBITDA as reported EBITDA adjusted for the impact of the share-based compensation expense.

We define EBITDA margin as EBITDA as a percentage of consolidated revenue.

We define Adjusted EBITA margin as Adjusted EBITA as a percentage of consolidated revenue.

We define free cash flow as the sum of the following items and recorded either as individual line items or as the sum of several individual line items in the consolidated cash flow statement: (i) Operating free cash flow, as defined below and (ii) Tax paid, which notably includes corporate income tax, the CVAE tax in France the IRAP tax in Italy and State Tax in the United States. Free cash flow is presented pre- and post-IFRS 16.

We define Operating free cash flow as the sum of the following items and recorded either as individual line items or as the sum of several individual line items in the consolidated cash flow statement: (i) EBITDA, (ii) Net capital expenditure (i.e. amounts paid as consideration for property, plant and equipment and intangible assets used in operations less the proceeds received from sales of these types of assets), (iii) Change in net operating working capital, (iv) Other cash movements, which primarily comprise cash outflows related to (a) non-recurring items in the income statement and (b) provisions recorded for liabilities resulting from fair value adjustments recognized on the acquisition of consolidated companies. This indicator reflects cash generated by operations and is the indicator used internally for the annual performance appraisals of the Group's managers.

Operating Segment Information

Following the sale of our Concession Catering in 2019 business (as described below), we have two continuing operations: “Contract Catering” and “Services,” which are divided into four operating sectors: “Contract Catering – France,” “Services – France,” “Contract Catering – International” and “Services– International.”

The above four operating sectors for our continuing operations are grouped together in two reportable segments: “Contract Catering & Services – France” and “Contract Catering & Services – International,” in accordance with the requirements of IFRS 8. The Contract Catering & Services businesses have been aggregated together as they have similar economic characteristics in terms of their long-term profitability, the nature of their services, the nature of their production processes, their type of customers, and the nature of their regulatory environment.

The segment information presented is based on financial data from our internal reporting system. This data is regularly reviewed by the Chief Executive Officer, who is our chief operating decision maker.

The “Concession Catering” operating segments are presented as discontinued operations.

The “Corporate & Other” segment mainly comprises unallocated central functions, the Group's head office expenses, and residual Concession Catering activities not included in the sale of Areas.

The figures for the year ended September 30, 2019 have been restated to permit meaningful year-on-year comparisons following the reclassification of the “Concession Catering” operating segment as a discontinued operation.

Sale of the Concession Catering business

Following a review of its strategic options and a subsequent bid process, on March 20, 2019, we announced that we had entered into exclusive discussions with PAI Partners concerning the sale of our concession catering operations grouped within our subsidiary, Areas.

On July 1, 2019, we sold Areas to PAI Partners for €1.4 billion (representing an enterprise value of €1.542 billion), of which €70 million corresponded to an interest-bearing vendor loan (the “**Areas Sale**”).

The net capital gain on the sale amounted to €208 million, excluding the tax impact, and was recognized in “Net profit from discontinued operations.”

In accordance with IFRS 5, “Non-current Assets Held for Sale and Discontinued Operations,” our Concession Catering business was presented under discontinued operations in the 2019 consolidated income statement and its assets and liabilities were classified as assets and liabilities held for sale in the balance sheet.

Unless otherwise indicated, all figures for the year ended September 30, 2018 presented in this Offering Memorandum are restated for the Areas Sale.

INDUSTRY AND MARKET DATA

This Offering Memorandum contains information about the Group's markets and competitive position, including information relating to market size and market share. Certain information is based on publicly available data obtained from sources that we believe to be reliable, but which have not been independently verified.

We cannot guarantee that a third party using different methods to collate, analyze or calculate data about these markets would reach the same conclusions. Other data that we have used is based on research conducted by a reputable international consulting firm specifically commissioned by us. Unless otherwise stated, all data included in or incorporated by reference to this Offering Memorandum regarding the size, scale and share of markets relevant to the Group is based on our own estimates and is provided for information purposes only. Accordingly, undue reliance should not be placed on such information. In addition, information regarding the sectors and markets in which we operate is not always available for certain periods and, accordingly, such information may not be current as of the date of this Offering Memorandum.

None of Elior, the Guarantors or the Initial Purchasers makes any representation as to the accuracy of third-party information cited herein.

Trademarks and trade names

We own or have rights to certain trademarks or trade names that we use in conjunction with the operation of our businesses. Each trademark, trade name or service mark of any other company appearing in this Offering Memorandum belongs to its respective holder.

CERTAIN DEFINITIONS AND GLOSSARY

The following terms used in this Offering Memorandum have the meanings assigned to them below (unless the context requires otherwise):

"*Agents*" refers to the Paying Agent, the Transfer Agent, the Registrar, each as identified on the inside back cover page of this Offering Memorandum;

"*Areas*" refers to Areas Worldwide S.A. (formerly Elior Concessions), a subsidiary of the Group that operated the Group's Concession Catering segment that was sold as part of the Areas Sale;

"*Areas Sale*" refers to the sale of Areas to PAI Partners as discussed under "*Presentation of Financial Information and Other Data—Sale of the Concession Catering business*";

"*Business & Industry*" refers to one of the three key markets within the Contract Catering & Services business line which comprises corporate entities and government agencies;

"*Contract Catering*" refers to our business line that is comprised of food services and other catering-related services, such as meal delivery, vending operations and technical support for foodservices businesses;

"*Corporate*" refers to our Corporate segment that represents personnel costs associated with corporate support functions (including the Group IT department) and the portion of revenue invoiced to operating entities for management and shared services;

"*Drop-through*" is defined as the decrease in EBITA for a €1 decrease in revenue, at constant exchange rate;

"*Education*" refers to one of the three key markets within the Contract Catering & Services business line which comprises educational establishments;

"*Elior Group*" means Elior Group S.A., a *société anonyme* incorporated under the laws of the Republic of France;

"*Elior NA*" refers to Elior North America (formerly TrustHouse Services group), a subsidiary of the Group that operates in the United States;

"*Elior Participations*" refers to Elior Participations S.C.A., a subsidiary of Elior Group;

"*Elior Restauration et Services*" refers to Elior Restauration et Services S.A., a subsidiary of the Group that operates in France;

"*EURIBOR*" refers to the Euro Interbank Offered Rate is a daily reference rate, published by the European Money Markets Institute;

"*European Union*" or "*EU*" refers to an economic and political union of Member States, which are located primarily in Europe (including the United Kingdom for the periods prior to the United Kingdom's exit from the EU, unless specified otherwise);

"*euro*", "*euros*" or "*€*" refers to the single currency of the Member States of the European Union participating in the third stage of the economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended or supplemented from time to time;

"*Flow-through*" is defined as the increase in EBITA for a €1 increase in revenue, at constant exchange rate;

"*Guarantors*" refers to the Issue Date Guarantor and Post Issue Date Guarantors, collectively as identified under "*Listing and General Information—Legal Information—The Guarantors*";

"*Health & Welfare*" refers to one of the three key markets within the Contract Catering & Services segment which includes healthcare facilities, retirement homes, residential homes and day-care centers;

"*IFRS*" refers to the International Financial Reporting Standards, as adopted by the European Union;

"*Indenture*" refers to the indenture governing the Notes to be dated as of the Issue Date by and among, *inter alios*, the Issuer and the Trustee;

"*Initial Purchasers*" refers collectively to BNP Paribas, Crédit Agricole Corporate and Investment Bank, Coöperatieve Rabobank U.A., Natixis, Crédit Industriel et Commercial S.A., Société Générale, Mediobanca – Banca di Credito Finanziario S.p.A. and Banco Bilbao Vizcaya Argentaria, S.A.;

"*Issuer*" refers to Elior Group S.A.;

"*Issue Date*" refers to the date of the issuance of the Notes offered hereby;

"*LIBOR*" refers to the U.S. dollars London Interbank Offered Rate;

"*New Elior*" refers to our strategy through 2024 as presented in June 2019 following the Areas Sale;

"*Notes*" refers to the 3.750% Senior Notes due 2026 offered hereby;

"*Offering*" refers to the offering of the Notes;

"*Offering Memorandum*" refers to this offering memorandum dated July 1, 2021;

"*Services*" refers to our business line that is comprised of cleaning and soft facilities management services;

"*Senior Facility Agreement*" refers to senior facility agreement dated June 23, 2006 (as amended or restated by the parties thereto) entered into by Elior Group and Elior Participations – it will be fully repaid and called following the Offering;

"*Trustee*" refers to U.S. Bank Trustees Limited;

"*TrustHouse Services group*" refers to TrustHouse Services group, which was renamed as Elior NA following our acquisition;

"*United States*" or "*U.S.*" refers to the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia;

"*U.S. dollars*", "*US$*" or "*$*" refers to the currency of the United States of America; and

"*we*", "*us*", "*our*", "*Elior*" and the "*Group*" refers to Elior Group and its consolidated subsidiaries.

INFORMATION INCORPORATED BY REFERENCE

We have incorporated by reference in this Offering Memorandum certain information that we have made publicly available, which means that we have disclosed important information to you by referring you to those documents. The information incorporated by reference is an important part of this Offering Memorandum.

The information set out below, which has previously been published or is published simultaneously with this Offering Memorandum and will be filed with the Luxembourg Stock Exchange, shall be deemed to be incorporated in, and to form part of, this Offering Memorandum.

The following documents have been incorporated by reference in this Offering Memorandum, the English translations of:

(a) Our consolidated financial statements for the year ended September 30, 2018 which appear on pages 242 to 319 of the English language translation of our annual report for the year ended September 30, 2018 prepared as a Registration Document (*Document de Référence*) and as filed with the AMF on January 24, 2019;

(b) Our consolidated financial statements for the year ended September 30, 2019 which appear on pages 206 to 271 of the English language translation of our annual report for the year ended September 30, 2019 prepared as a Registration Document (*Document de Référence*) and as filed with the AMF on January 10, 2020;

(c) Our consolidated financial statements for the year ended September 30, 2020 which appear on pages 222 to 289 of the English language translation of our annual report for the year ended September 30, 2020 prepared as a Universal Registration Document (*Document d'enregistrement universel*) and as filed with the AMF on January 12, 2021; and

(d) Our interim consolidated financial statements for the six months ended March 31, 2021 which appear on pages 19 to 50 of the English language translation of our interim financial report as published on May 20, 2021.

It is important that you read this Offering Memorandum, including the documents incorporated by reference hereto, in its entirety before making an investment decision regarding the Notes.

Any statement contained in the documents incorporated by reference hereto will be modified or superseded for all purposes to the extent that a statement contained in this Offering Memorandum modifies or is contrary to that previous statement. Any statement so modified or superseded will not be deemed a part of this Offering Memorandum except as so modified or superseded.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Offering Memorandum shall not form part of this Offering Memorandum and are either covered in another part of this Offering Memorandum or are not relevant for the investors.

Copies of the documents incorporated by reference in this Offering Memorandum are available for viewing on the website of the Issuer (*www.eliorgroup.com*) and on the website of the Luxembourg Stock Exchange (*www.bourse.lu*). Except for the information specifically incorporated by reference in this Offering Memorandum, the information provided on such website is not part of this Offering Memorandum and is not incorporated by reference in it.

SUMMARY

This summary contains basic information about the Group and this Offering, and highlights information contained elsewhere in this Offering Memorandum about the Offering and our business, financial performance and prospects. This summary does not contain all of the information that may be important to you in deciding to invest in the Notes to be acquired through them and it is qualified in its entirety by the more detailed information and financial statements included elsewhere in this Offering Memorandum. You should read the entire Offering Memorandum, including the section entitled "Risk Factors" and the financial information and related notes contained in this Offering Memorandum before making an investment decision.

Overview

We are a leading international player in contract catering & services, serving 4 million customers every day at approximately 22,700 restaurants and points of sale across the world, and looking after 2,300 sites for clients in France through our services offerings. We have over 105,000 employees based in six main countries in Europe and North America, and a small presence in Asia. Our mission is to be a responsible caterer and facility management provider aiming for sustainable growth.

Our contract catering business serves three key client markets: corporate entities and government agencies (Business & Industry), educational establishments (Education), and health and welfare establishments (Health & Welfare). We operate our contract catering activities in our traditional markets of France, Spain (including Portugal), Italy and the United Kingdom as well as in the United States since 2013.

In every contract catering market we serve, we seek to tailor our services to meet each client and guest profile. In the Business & Industry market, our business model has historically been focused on providing outsourced contract catering services at our customers' premises, where we prepare and serve meals at corporate sites (SMEs, blue chip), government offices, museums, stadiums and on board trains. In accordance with the size and requirements of the business, we deploy new operating models such as leveraging on our central production units (central kitchen) that we already used mainly in the education market as well as innovations and digital solutions to facilitate meal delivery. For example, we have developed applications for pre-ordering and paying for meals, which reduce wait times during peak periods. Another example of innovation is Food360, which allows an employee to order food on an application and receive the quality and balanced dish in the workplace smart refrigerator at the time desired. In the Education market, we operate the largest kitchen infrastructure in Europe, which allows us to combine high productivity with a local presence. We use local and certified organic food in our homemade recipes to promote healthy eating habits among our young guests. We provide catering and services for both public and private education from early childhood, day-care, school (elementary and higher), through to university. In the Health & Welfare market, we provide catering and services for hospitals, clinics, retirement homes and day-care centers for disabled, elderly and dependent (including home delivery). We tailor catering solutions to patients' pathologies, adapting textures and personalizing nutritional protocols.

Based on revenue generated in the year ended September 30, 2020, we estimate that we are the second-largest pure player in contract catering & services worldwide, with leading market positions in Europe and a growing presence in the United States.

The majority of our services business is conducted in France and involves the provision of soft facility management solutions, notably cleaning, reception, concierge, light maintenance and grounds maintenance services. Through this business, we provide public and private-sector institutional clients with a wide array of outsourced solutions ranging from cleaning and reception services through to the management of offices, hotels, shopping malls, leisure and vacation parks and office and apartment buildings. We estimate that we are the sixth-leading cleaning services provider in France and the number one provider of outsourced cleaning and hospitality services for the French healthcare sector.

In the year ended September 30, 2020, we generated total consolidated revenue of €3,967 million, of which €1,778 million was generated in France and €2,182 million internationally, with €1,620 million from the Business & Industry market, €1,149 million from the Education market and €1,198 million from the Health & Welfare market. Our largest market by revenue is France, followed by the US.

In the year ended September 30, 2019, we generated total consolidated revenue of €4,923 million, of which €2,212 million was generated in France and €2,689 million internationally, with €2,256 million from the Business & Industry market, €1,415 million from the Education market and €1,252 million from the Health & Welfare market.

In the year ended September 30, 2019, we generated Adjusted EBITA from continuing operations of €176 million of which €109 million in France and €90 million internationally.

We are a listed company with a market capitalization of €1.2 billion as of June 30, 2021.

Our Competitive Strengths

Our business benefits from a number of competitive strengths, including:

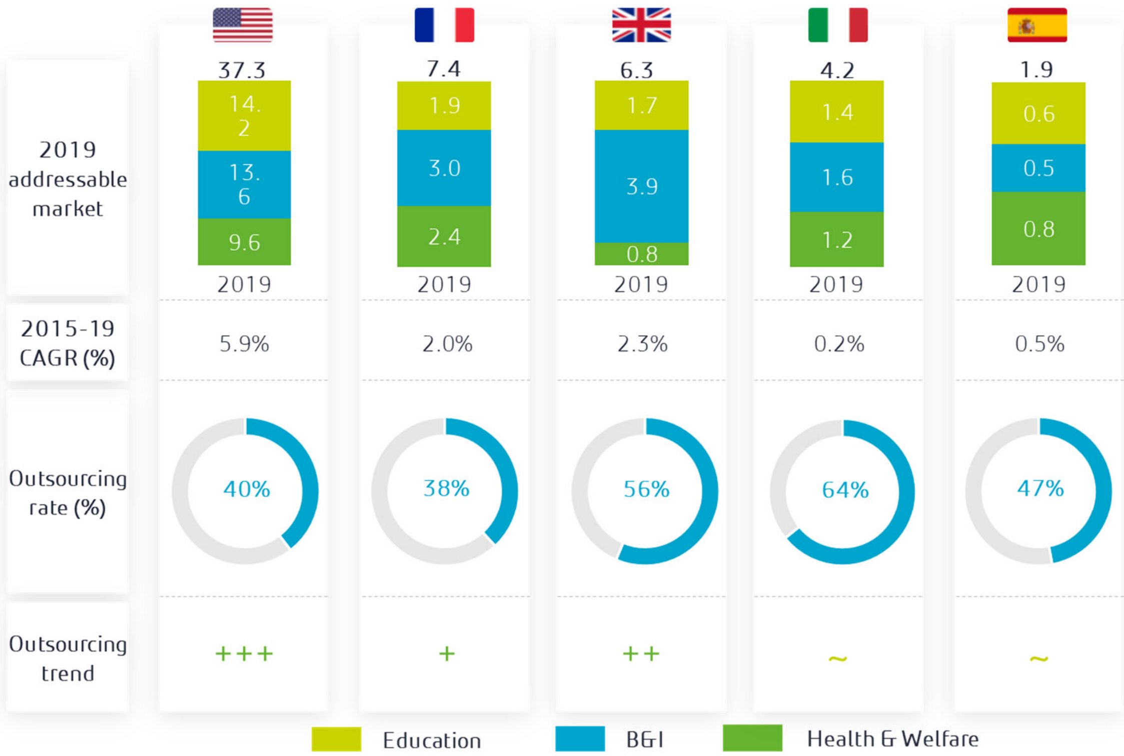
Operating in large and stable markets with attractive fundamentals

Our key markets of France, Spain and Italy where we enjoy strong, defendable positions and longstanding relationships with clients are historically among the largest and most stable markets for contract catering with high levels of outsourcing. In addition, we operate in the United Kingdom and United States which are displaying stronger growth and higher tendencies towards outsourcing of contract catering. We estimate the markets in which we operate for contract catering represented €124 billion in revenue for the year ended December 31, 2019 and we estimate that the outsourcing rate is 43% which implies that the size of our outsourced catering market, or addressable market, is €53 billion. Outsourcing in the United States in the Health & Welfare market and Education market remains low – and offers significant promise for future business. Disruptions from new work practices in the Business & Industry market limits short term visibility on recovery prospects. However, the disruptions are expected to be offset in the med-term by adapting contract catering offerings.

Key secular growth drivers that will provide our platform with new revenue streams and enhanced add-on options to boost margins include (i) outsourcing of contract catering as clients focus on their core business, (ii) concerns regarding food safety, hygiene, and traceability and (iii) an increasing focus on healthy, balanced, and high quality meals. Furthermore, the impact of the COVID-19 pandemic has led to an acceleration in the long-term trends we have observed across our markets over the past few years and heightened demand for more flexible, grab & go and digitally enabled catering solutions and offers that are compatible with COVID-19 health and safety guidelines to prevent dining areas from becoming too busy, in addition to creating new offerings to respond to new consumption patterns such as working from home. Overall contracting catering operators are adjusting their business models and offerings to adapt to the changing market dynamics which will continue to drive growth opportunities in our contract catering market.

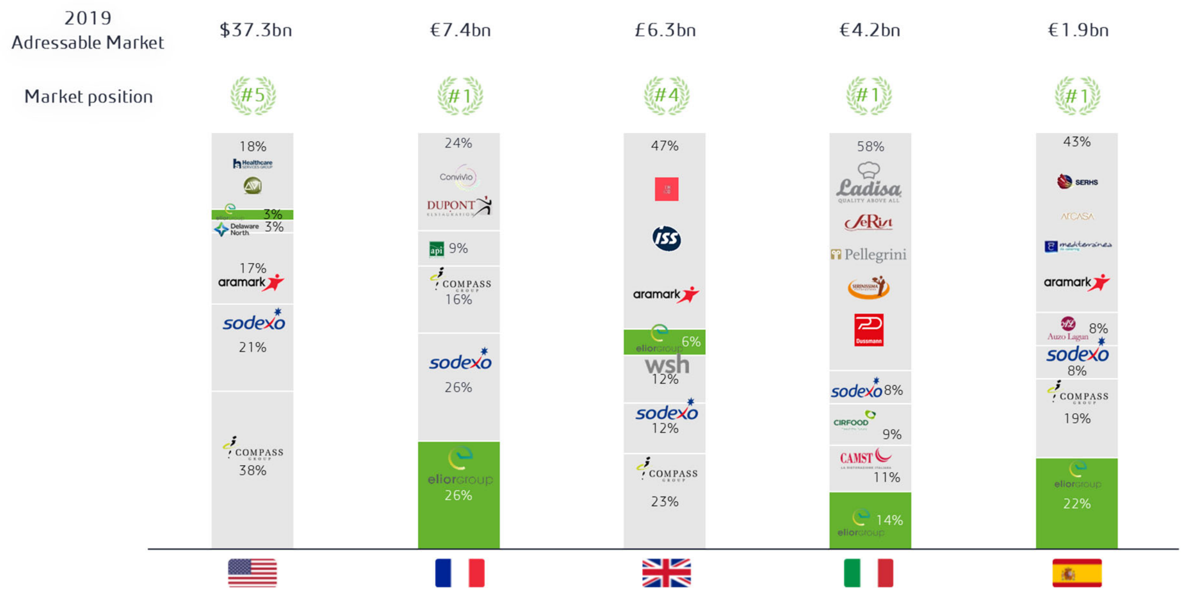
We steadfastly focus on these growth drivers through our business. Firstly, we are well positioned to respond to the disruption in our Business & Industry market with the ability to leverage off our extensive central kitchen model and benefit from our modified atmospheric packaging knowhow enabling longer shelf life and delivery capacities including the recent acquisition of Nestor in France to help capture the increasingly relevant small and medium-sized addressable market. Since the first lockdown we have accelerated the repositioning of our offer towards an asset-light model (connected fridges), combining digitally enabled services (ordering, click & collect) and a culinary offer revised for larger sites to keep up with consumer trends focused on healthy, balanced and high quality meals and nutritional transparency. Secondly, in the Education market, we are responding to the increasing focus on nutrition. For example, in September 2020 we introduced the Nutri-Score food rating system in our school canteens in France, making us the first – and only – contract caterer to have done so, and with our Safe Café concepts we deliver high health & safety standards, increasing customer confidence and capture rate. Thirdly, in Health & Welfare, we have developed ultra-personalized catering solutions by expanding our home delivery services and by rolling out senior-specific offerings such as Nutri-Age in Italy and Idequatio in France, focused on addressing the individual needs of our guests based on their nutritional requirements and capabilities.

We are present in the markets and sectors that display high growth potential. The table below shows the outsourced addressable market in France, the United States, Italy, Spain, and the United Kingdom.



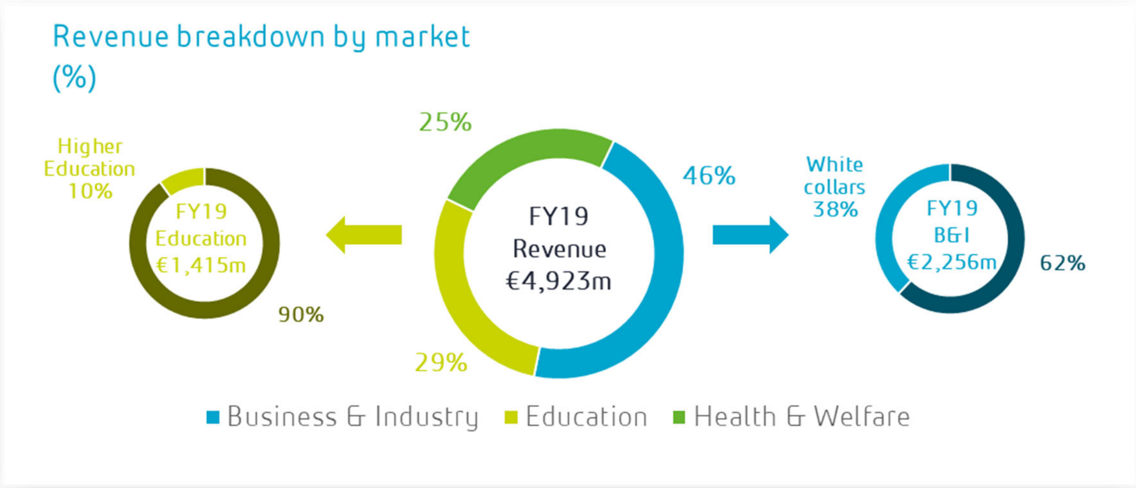
Leading player in the contract catering sector with scale positions in its key markets

We are a leading contract catering player in France, Italy, and Spain with strong market positions in the United Kingdom and United States, covering addressable markets of approximately €53 billion. The contract catering market is characterized by a large number of small and mid-size regional or specialized operators competing with a few national or international players. In our markets, critical mass is an essential competitive factor, as it creates the ability to offer prices that match market expectations. We are well-positioned as a market leader, and we estimate we occupy the #1 position in France, #1 in Spain, #1 in Italy, #4 in the United Kingdom and #5 in the United States, a market which offers attractive opportunities to further grow our footprint. We seek to partner with our clients, and we distinguish our value proposition through the size of our offering, our ability to exploit economies of scale both in procurement (a key cost item permitting us to deliver contracts more competitively) but also in innovation. Our leadership is based on competitive pricing solutions, a more diverse and healthier offering range, and more efficient safety and hygiene regulation compliance. Our differentiated features attract a large and diversified customer base. Another pillar of our business model is our portfolio of brands which we operate including Elior, Serunion, Hospes and Corporate Chefs, both in France and internationally, which have built up a reputation for quality and excellence in their reference markets. As a result of our strong market position, we have been able to pursue targeted growth opportunities while also focusing on winning larger contracts that offer broader options for geography and services.

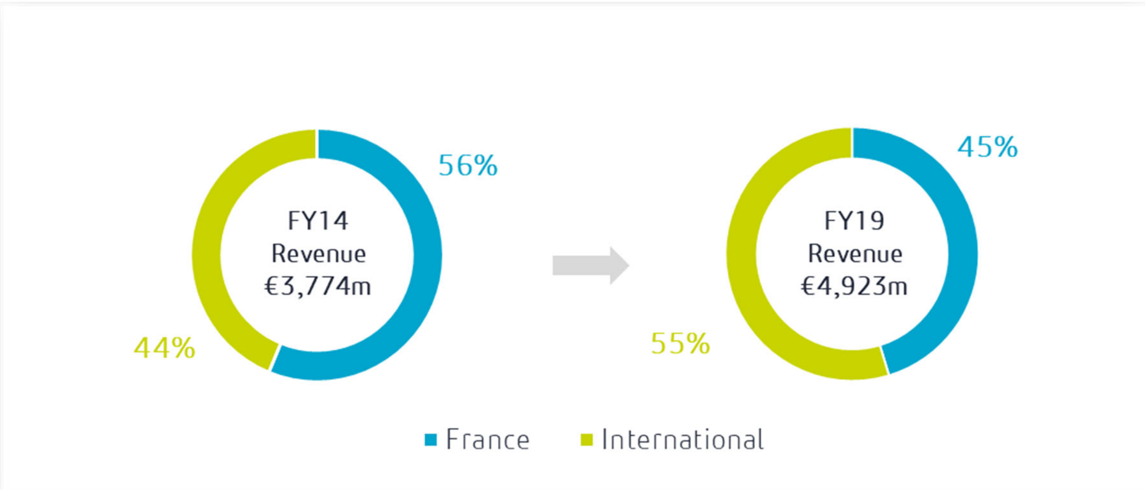


Resilience thanks to a diversified business mix, loyal client base and multi-year contracts

We operate a resilient business model, underpinned by a diverse business mix, loyal client base, and multi-year contracts. The strength of our business is mainly due to the wide diversity of our operations, in terms of both business sectors and geographies. Our diversified business mix makes us uniquely positioned in contract catering during the pandemic because of the limited exposure to the disrupted white collars segment in our Business & Industry market (only represented 18% of revenue for the year ended September 30, 2019) and limited exposure to higher education in our Education market (only represented 3% of revenue for the year ended September 30, 2019). The table below shows the revenue for 2019 breakdown by market.



Our business mix is strengthened by our expansion globally. We have a growing international presence since 2014 and now operate in six countries. For the year ended September 30, 2019, we generated 45% of our revenue in France and 55% internationally, as compared to 56% in France and 44% internationally for the year ended September 30, 2014. After entering into the largest and fastest growing US market in 2013, we are the number five player today. The graphic below shows our revenue breakdown by geography for 2019 as compared to 2014.



Furthermore, our business model is strengthened by the fact that we have a wide and diverse client portfolio. Our loyal and diversified customer base includes more than 14,000 contracts. Our retention rate in contract catering, for the year ended September 30, 2020, was 91.8%. We pride ourselves with building long-standing relationships with our clients, and we have been working with our top five clients for more than twenty years on average. Nonetheless, our revenues are diversified and we have avoided dependence on any single client, which provides our platform with the stability and strength to navigate changing market conditions. For the year ended September 30, 2020, our five largest contract catering clients accounted for approximately 7% of total revenue for the contract catering segment, our ten largest contract catering clients accounted for approximately 9% of total revenue for the contract catering segment, our fifteen largest contract catering clients accounted for approximately 11% of total revenue for the contract catering segment, and our twenty largest contract catering clients accounted for approximately 13% of total revenue for the contract catering segment. Our 30-year track record of providing outsourced contract catering solutions to a variety of markets for operators both large and small has permitted us to accumulate expertise which we deploy to tailor offerings matching customers' specific needs with varying contractual features that promotes client stickiness and retention. Some of our selected clients include Trenitalia, SEAT, the City of Lyon, London Business School and Savannah State University.

In addition, we offer favorable contract features. Our long term contracts have on average a five year duration. We maintain a balanced portfolio between public sector and non-public sector clients, with approximately 64% of our revenue generated by non-public clients and the remaining 36% generated by public clients. Moreover, automatic extension clauses and indexation based on prices of raw materials and labor costs contained in many of our contracts protect our margins.

The loyalty from our clients is premised on superior service delivery as well as close collaboration together to drive bespoke solutions. More recently, our management deployed fast responses to COVID-19 with critical solutions tailored to specific needs – for example, keeping school cafeterias open to provide nutrition to children and maintaining services at factories, hospitals and other mission critical facilities. We adapted our contracts in line with attendance throughout the pandemic, which allowed us to seize the opportunity to improve contractual terms through targeted renegotiations based on local conditions.

Consistent financial performance

At Elior Group, we maintain a sharp focus on financial performance metrics. We have demonstrated our ability to consistently grow our revenue over the years both organically and through bolt-on acquisitions, recording a consolidated compounded annual revenue growth rate of approximately 5.8% (of which 1.6% is organic) between the years ended September 30, 2013 and 2019. Additionally, we have maintained resilient EBITDA margins with the potential to further improve profitability. For the years ended September 30, 2018, 2019, and 2020, our EBITDA margins were respectively 5.5%, 6.2% and 1.3% (pre-IFRS 16) (which would have been 6.4% as adjusted to normalize for the COVID-19 impact). Our revenue and EBITDA growth has been supported by our selective acquisition strategy and by our ability to generate continued organic growth despite difficult economic conditions. Our Cash Conversion rates (defined as EBITDA minus net capital expenditures divided by EBITDA) for the years ended September 30, 2018, 2019, and 2020 were respectively 40%, 62% and would have been 66% as adjusted to normalize for the COVID-19 impact. Our management keeps a sharp focus on strong free cash flow generation and pursues only EBITDA accretive acquisitions and capital expenditure initiatives that promise to capture new revenue streams. We believe that as a result of the foregoing, our efficient business model is characterized by good profitability levels, low working capital requirements, and stringent capital expenditure resulting in strong cash flow generation.

Well placed to benefit from supportive macro trends and return to normal

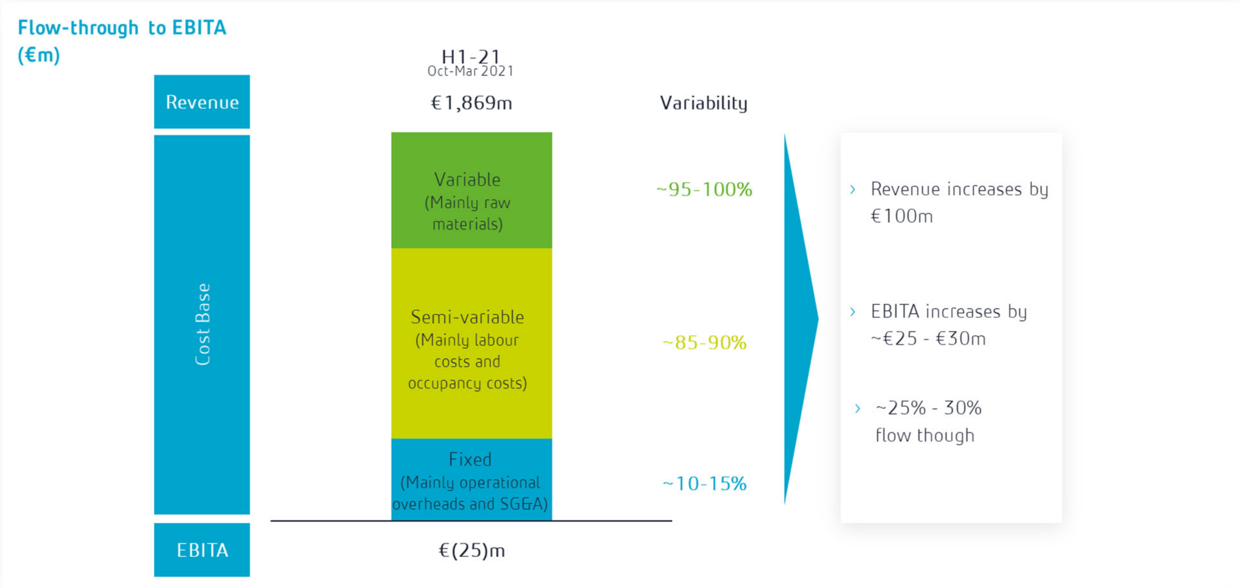
Our business is resilient and poised to rebound as the stringent lockdown and social distancing measures imposed to contain the COVID-19 pandemic are eased and as the rate of vaccination continues to increase in our geographies. Elior is well placed to benefit from macro trends which support the contract catering business generally and in particular provide further opportunities for revenue and margin growth based on our diversified platform, as proven in France between April 2020 and September 2020. Certain aspects of our business were significantly affected by the COVID-19 pandemic as offices and workplaces closed or reduced the number of employees present per day, particularly in France in the Business & Industry and Education markets, with number of meals served decreasing in the year ended September 30, 2020 to approximately 7% and 10% of year ended September 30, 2019 levels. The Health & Welfare market remained fairly resilient as a result of our support to hospitals, clinics and frontline workers who may have had an increased propensity to eat at on-site locations when alternatives were closed, even though COVID-19 impacted the number of visitors in cafeterias, reduced capacity in hospitals, and reduced capacity in senior homes where new guests were temporarily not accepted. As lockdown measures began to be progressively lifted in May 2020, we experienced a significant pick-up in the French Education market with meal count recovering to 95% of 2019 levels by September 2020. Recovery in the Business & Industry market was more gradual with an increased proportion of companies' workforce adjusting to new norms. Due to our business mix and the sustained focus by management in all of our markets to safely reopen sites when national legislation permitted us to do so, we have been among the most resilient players in the industry as compared to our listed company peers when 2020 organic sales are measured against 2019.

During the COVID-19 pandemic, the geographies and markets where we operate were affected in different ways. For example in France, the number of meals served sharply declined in April to June 2020 during the first lockdown but then continued to recover as restrictions eased, peaking at 86% in the month of September, 2020 compared to 2019 levels. Since fourth quarter of fiscal year 2020, we have recorded a more stable reduction in meal count and revenue compared to 2019. Recovery trends have varied across end-markets in the second quarter of 2021 with Education and Health & Welfare proving more resilient (Education meals served was at 92% compared to 2019; Health & Welfare meals served was at 87% compared to 2019; whereas Business and Industry meals served was at 44% compared to 2019). Our international business units are recovering at different paces on a country-by-country basis because of differing lockdown and social distancing easing measures and vaccination rates. Meal volumes in the US remained more resilient during the pandemic (around 85-90% compared to 2019 on average), supported by softer restrictions and good performance in Education (particularly K-12) and Health & Welfare. Recovery patterns in Europe followed similar trends to France. Italy's resilience was supported by favorable Business & Industry exposure to industrials, while meals served in the United Kingdom struggled due to stricter lockdown measures. In terms of revenue, international activity levels dropped to 57% over the third quarter of 2020 compared to 2019 due to lower European volumes. Since the fourth quarter of 2020, revenue recovered to around 70% compared to 2019. In the short term, more favorable conditions are expected in the United States and the United Kingdom as vaccination rollouts advance.

Throughout the pandemic, our decentralized and nimble management structure displayed its ability to pivot in accordance with local conditions and client needs. Management focused on structural cost optimization through contract renegotiation and labor savings to put us in a position of recovery from COVID-19. Contracts were successfully renegotiated for lockdowns and re-openings. These renegotiations included price revision clauses and menu reengineering along with flexible combination of production and service operating model (switching from on-site to central production) as well as contract extension to secure future revenues. We also adjusted field operations and organizational structures to activity levels. As a result, we believe we are well positioned post-pandemic with utilization of government supported furlough and technical unemployment programs. Elior's restructuring plans include €103 million already provisioned in the year ended September 30, 2020, notably €68 million in France following the Group's job redeployment plan involving an 1,888 FTEs workforce reduction. We expect that these restructuring initiatives will lead to a short term cash outflow with an approximately one-year payback period. Furthermore, management seized the initiative to opportunistically renegotiate key cost items, such as service contacts (linen, maintenance, insurance and vehicle fleet) and optimize site locations.

Recognizing that meal volumes are dependent upon restriction measures taken to curtail the latest pandemic waves, management has concentrated on proactively reducing our cost base. During the first half of 2021, we operated close to EBITA breakeven and initiatives to maintain capital expenditures under control (approximately 1.5% of revenue) supported cash generation. A pick-up in activity following the reopening is expected to support meal count and revenue expansion. As revenue recovers, we should benefit from significant operating leverage thanks to recurring reductions in our cost base secured during the pandemic.

Our cost cutting initiatives gears us for further margin growth post-pandemic. Management deployed the various levers it has to reduce semi-variable and fixed costs through overhead, labor and occupancy cost reductions and renegotiations. We estimate that when volumes recover, the flow-through to EBITA for each €100 million of revenue generated will be approximately 25% to 30%. The illustrative direct impact of a revenue increase on EBITA increase (flow-through) is presented in the graph below.



Elior remains confident that its platform and unique business model will provide it with the strength to seize opportunities emerging in the post-pandemic world. As we exit the pandemic, we are optimistic regarding both the short- and medium-term outlook. In the short-term, we believe that the United States and the United Kingdom are well positioned to bounce back sooner than France, Italy, and Spain due to the comparatively higher vaccination rate. September will be key given planned easing of restriction measures and structural seasonality. In the medium-term outlook, we believe that return to robust organic growth will be within sight. We further believe that improvement in our pre-crisis margins will be supported by structural cost optimization efforts. Permanent impact of work from home in Business & Industry volumes (around 20-30% of 18% of consolidated revenue) will be more than offset by new initiatives, new markets, and new clients.

Empowered local teams, underpinned by a strong entrepreneurial mindset

We benefit from the experience and industry know-how of our management team piloting a decentralized structure, underpinned by a strong entrepreneurial mindset. Our systematic control mechanism is deployed throughout the organization led by functional leaders. We are led by Philippe Guillemot, our Chief Executive Officer, who joined the Group in 2017 with particular expertise in running large organizations with a global footprint (especially in the US market) and building sustainable growth and operational excellence. Our senior management consists of the heads of our main country teams where we operate (France, Italy, North America, Spain, the United Kingdom), the head of our Services business and functional leaders who provide specialized direction and support for the execution of the Group's strategy (finance, logistics, digital transformation, human resources and communications). Our management has a long history of operating in the catering and retail industries along with an enviable record of long-term profitable growth throughout business cycles.

In addition, our structure is lean with few layers between top-management and front line. This encourages strong commitment and entrepreneurial spirit across the group, permitting our organization to seize opportunities as they become available and evolve in line with our markets and clients' business models. Furthermore, we believe our empowerment of local leadership in each of our geographies, along with our entrepreneurial mindsets, allows top management to agilely take decisions for clear and focused strategies. This has been shown through the management's actions during rapidly changing regulations imposed in the context of the COVID-19 pandemic affecting our business. Through their direction and guidance, we were able to quickly implement procedures to protect the health and safety of our employees, clients and guests, anticipate and prepare for the post-COVID-19 environment through investing in new revenue streams and support the mobilization and engagement of teams on the front line. Our management also concentrated on strict cash management and a swift adaptation of the organization to keep us in a solid position. As a result of our organizational structure, local management can remain focused on the future and anticipating the needs of our clients.

Our Competitive Strategies

Our strategic plan has been designed with the aim of navigating the pandemic and accelerate further deployment of the Group's service offering. We intend to execute our strategy with a focus on customer-centric innovation fueled the knowhow and expertise developed across our global platform and with an eye on people alignment and empowerment to fully leverage the maximum impact of our talented employees and asset base.

Shift business mix towards attractive markets and clients

Elior intends to continue a polycentric approach to growth. While continuing to grow our core French business, we have successfully expanded our international presence into geographies with growing contract catering outsourcing trends, especially the United States and the United Kingdom. We are now well positioned to gear new business development towards the most attractive segments and clients. This allows us to secure higher margins by converting self-operated catering services to new outsourced contracts.

We expect to expand and further create value for clients through innovative offerings with supporting digital solutions and entering new markets, such as on-board catering for trains and grouped meal delivers to SMEs. We will focus on selected country specific adjacencies to support growth ambitions across segments. Further, we will continue to improve geographic and/or segment mix in order to protect revenue impacts from poor country or market segment performance. We will focus on a select number of countries to target local markets yet share the best practices, recipes, and offerings, such as Food360, Urban360, and the roll out in UK with 'pods.'

We plan on expanding our leadership positions across several market segment in larger geographies, such as the United States in targeted market segments, such as community meals and corrections.

Increase customer centricity through CSR and increase cross-sell/upsell in services

We intend to increase customer centricity with a clear and proactive focus on CSR. We plan on focusing on new concepts, increasing use of digital technology to provide new customer services, and direct end-client to drive footfall in business & industry and education with parents. Our digitally inspired innovation will drive new opportunities in response to changing customer trends. We continue digital innovation to complement traditional business & industry offerings because of the demand for high quality meals on-the-go, away from traditional catering settings. In France, Nestor allow us to expand the small and medium-sized addressable market. In the office, employees can use connected fridges and a click and collect app or have a delivery of fresh and tasty lunches directly to employees to enjoy in dedicated spaces. While working from home, Bites to Go allows employees the flexibility to take away via POS (fridges, vending machines or delivery). In the education market the trend is to focus on healthy, tasty, and nutritional meals in safe environments. Our innovation Weeky Daily is a click and self-service in schools and universities which offers teenager inspired meals in safe, social distanced spaces which increases our capture rate. In addition, Safe Café uses QR codes to deliver our health and safety standards which increases customer confidence and capture rate. The trend in health and welfare is personalized menus based on health and capabilities, available in traditional setting or at-home services. NutriAge is our innovation which identifies nutritional needs and delivers personalized plans, ensuring well-being for retirement home guests or the elderly via an at-home service. Further, Inéquatio adapts to people's specific needs by ensuring the right food texture depending on their heath and capabilities.

We intend to have an accelerated implementation of new offers for the Business & Industry market (asset light solutions, central production and digitally enabled services: ordering, click and collect, group delivery). We plan to increase capture rate with additional distribution formats and revised meus, such as grab & go and vegetarian expansion.

We plan to continue to increase our cross-sell in our services through special works and facility management. For example, in the United States we have Kitchen on Demand initiatives. The Kitchen on Demand Strategy Council was put in place to leverage our cross-team collaboration to drive the full capacity utilization and expand footprint. Work streams were identified to accelerate entrance into new markets using cross segment teamwork. The pilot offerings were implemented across multiple market segments.

Systematic focus on retention

Client retention is at the core of our business model and we are proud of the many clients we have been privileged to serve for many years. In contract catering, renewal of contacts often delivers better value for us and our clients as we are typically in the position to apply the knowhow gained in the previous performance of the contract, recalibrate pricing if necessary and adapt service offering to guest demand. Our strategy calls for reaching our target of 95% retention rate by continuing to strengthen our offer portfolio with existing clients, deploying systematic processes to apply lessons learned and improve our renewal pitch, and adopting various tools to monitor client satisfaction. We intend to proactively manage contracts and leverage new offers to retain smaller contracts (less than 150 meals per day) with new asset light formats. In Italy, we will drive retention rates with innovation showing new opportunities which include modified atmosphere packaging. This technology extends shelf-life of freshly cooked meals. We have untapped profitable opportunities up to 150 kilometers from our central productions units.

Continuous cost optimization

We will continue to focus on cost control and efficiency measures, promoting a culture of constant improvement as an important part of our strategy. We intend to increase our share of centrally managed contracts to maximize volume rebates, while respecting local food traditions. We plan on optimizing food costs through maximizing the utilization of our central production unit capacity by, for example, which can be used to prepare meals that are served at other sites. We also intend to pursue optimization of overhead costs and selling, general and administrative expenses through shared services, right-sizing the layers within our organization and investing in process automation where it makes business sense to do so.

Though we have already made improvements in labor force rationalization, we believe there are still optimization initiatives that can be gainfully harnessed.

Focus on cash management and allocation

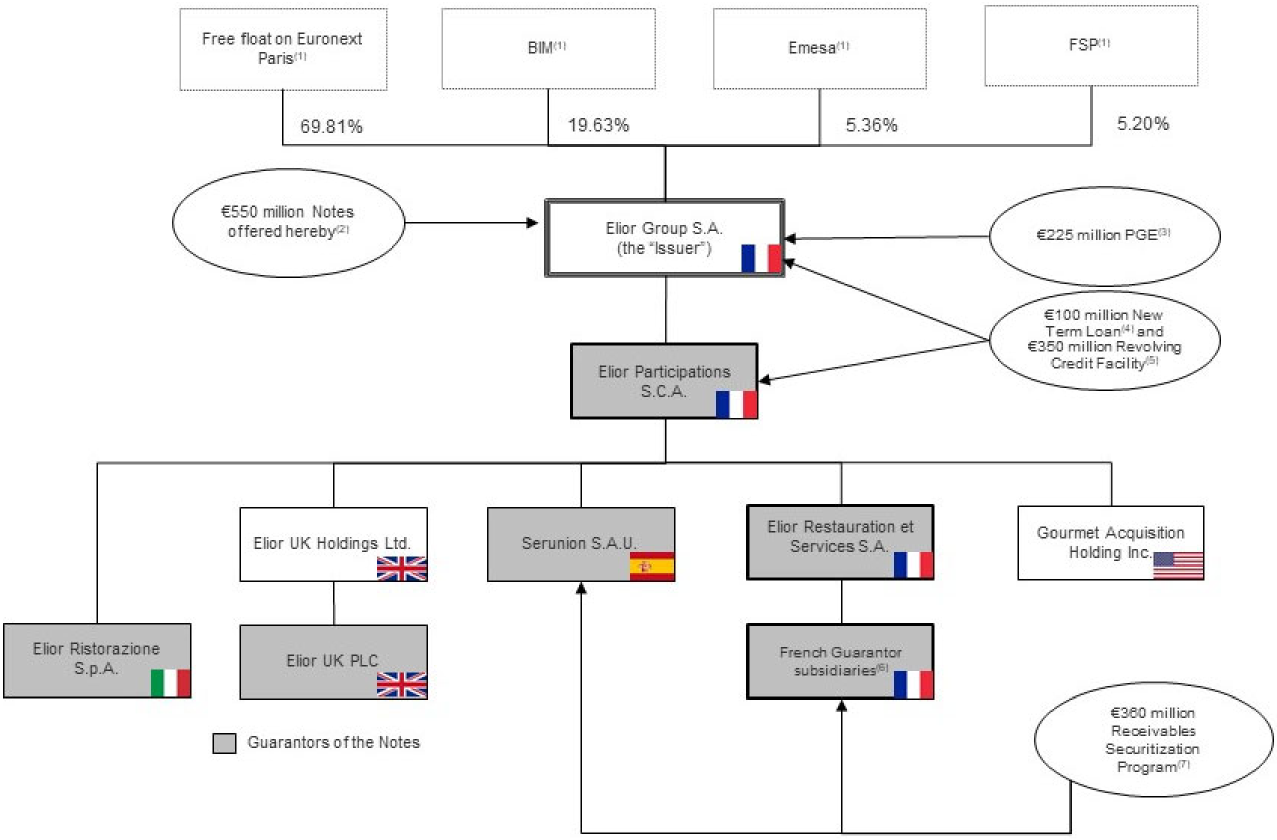
Cost control and cash generation remain core to our management's strategy for the Group. Our plan includes a strong focus on cash management and efficient capital allocation. To do this we intend to monitor capital expenditure, investing in accordance with strict payback parameters. Furthermore, we are rolling out initiatives to improve working capital. For example, we aim to reduce working capital swings once volumes recover. We intend to limit and have a one-year-payback on non-recurring expenses, including restructurings.

The Issuer

Elior Group S.A. was established July 8, 1996 as a *société par actions simplifiée* incorporated under the laws of the Republic of France for a term of ninety-nine years from the date of its registration with the Nanterre Companies Registry (*Registre du Commerce et des Sociétés de Nanterre*), expiring on July 8, 2095 unless said term is extended or the Company is wound up in advance. The Issuer became a French joint stock corporation (*société anonyme*) on June 11, 2014 upon its admission to trade its shares on the Euronext Paris (ISIN: FR0011950732). Its registered office is located at 9-11 allée de l'Arche, 92032 Paris La Défense, France. It is registered in France under the registration number 408 168 003 R.C.S. Nanterre, France and its legal entity identifier (LEI) is 969500LYSYS0E800SQ95.

SUMMARY CORPORATE AND FINANCING STRUCTURE

The diagram provides a summary of our corporate and financing structure as of March 31, 2021, after giving effect to the Offering. The diagram does not include all entities of the Group, nor does it show all the debt obligations thereof. Within the diagram below, legal entities are shown in boxes and financing instruments are shown in ovals. Unless otherwise indicated in the chart and in the footnotes below, legal entities are wholly owned. For more information, see "*Use of Proceeds*", "*Capitalization*" and "*Principal Shareholders and Related Party Transactions*." For a summary of the material financing arrangements identified in this diagram and certain other indebtedness, see "*Description of Certain Financing Arrangements*" and "*Description of the Notes*."



(1) Our ordinary shares are listed and admitted for trading on the regulated market of Euronext Paris, Compartment A under the ticker "EPA:ELIOR" with ISIN: FR0011950732. According to the most recent information available to the Issuer as of December 31, 2020, the main beneficial owners of the Issuer's shares are Bagatelle Investissement et Management ("**BIM**") (a company wholly owned by Mr. Robert Zolade), Corporación Empresarial Emesa S.L. ("**Emesa**") (a company controlled by Mr. Emilio Cuatrecasas) and the Fonds Stratégique de Participations ("**FSP**"), an institutional fund manager that was created by four large insurers, BNP Paribas Cardif, CNP Assurances, Crédit Agricole Assurances and Sogécap (Société Générale). All figures shown above exclude certain treasury shares held by the Issuer. See "*Principal Shareholders and Related Party Transactions*."

(2) The Notes will be senior unsecured obligations of Elior. The Notes will rank *pari passu* with all of Elior's existing and future unsecured senior debt and senior to all its existing and future subordinated debt. The Notes will be effectively subordinated to all secured indebtedness of Elior to the extent of the value of the assets securing such indebtedness and to all obligations of its subsidiaries. For information regarding the Notes offered hereby, see "*The Offering*" and "*Description of the Notes*."

(3) On March 22, 2021, the Issuer incurred a government-backed loan in the amount of €225.0 million, of which 80% is guaranteed by the French State. The loan has a one-year term with a five-year extension option exercisable by the Group. See "*Description of Certain Financing Arrangements—PGE.*"

(4) The Issuer intends to enter into and incur a new senior unsecured term loan (the "**New Term Loan**") on or before the Issue Date in the amount of €100.0 million. See "*Description of Certain Financing Arrangements— New Term Loan and Revolving*

Credit Facility." The New Term Loan will be guaranteed by the Guarantors and rank *pari passu* with the Notes offered hereby.

(5) The Issuer and its subsidiary Elior Participations will be borrowers under a new revolving credit facility (the "**Revolving Credit Facility**") comprising a revolving credit line in the maximum amount of €350.0 million that can be drawn in euro and U.S. dollars. The Revolving Credit Facility is expected to be undrawn on the Issue Date. See "*Description of Certain Financing Arrangements—New Term Loan and Revolving Credit Facility*."

(6) On the Issue Date, Elior Participations S.C.A., and no later than October 31, 2021, the Post Issue Date Guarantors, will guarantee the due and punctual payment of certain amounts due and payable in respect of the Notes (the "**Guarantees**"). For the year ended September 30, 2019 (the last full-year period which was not adversely impacted by COVID-19), the Issuer and the Guarantors generated 66% of the Group's revenue and 80% of the Group's Adjusted EBITDA. As of March 31, 2021, the Issuer and the Guarantors held 77% of the Group's total assets.

The Guarantees will be subject to contractual and legal limitations that may limit their enforceability, and the Guarantees may be released under certain circumstances. The proceeds from the Offering along with the indebtedness incurred under the New Term Loan will be down streamed from the Issuer to certain of the Guarantors in the form of proceeds loans which will be used by each such Guarantor to repay amounts owed to the Issuer under intercompany loans. See "*Description of Certain Financing Arrangements—Proceeds Loans*." See "*Risk Factors—Risks Related to the Notes and the Guarantees*" and "*Limitations on the Validity and Enforceability of the Guarantees and Certain Insolvency Law Considerations*" for certain information regarding limitations on the guarantees. For corporate information regarding the Guarantors, see "*Listing and General Information—Guarantor Legal Information*."

(7) Certain French and Spanish subsidiaries of the Issuer are party to a receivables securitization program pursuant to which sales of receivables are made on a recourse basis. As of March 31, 2021 the outstanding amount under the receivables securitization program was €45 million. See "*Description of Certain Financing Arrangements—Receivables securitization program*."

THE OFFERING

The overview below describes the principal terms of the Notes and the Guarantees thereof. Certain of the terms and conditions described below are subject to important limitations and exceptions. The section entitled "Description of the Notes" of this Offering Memorandum contains a more detailed description of the terms and conditions of the Notes and the Guarantees, including definitions of certain terms used in this overview.

Issuer	Elior Group, a joint stock corporation (*société anonyme*) organized under the laws of the Republic of France (the "**Issuer**").
Notes Offered	€550,000,000 aggregate principal amount of 3.750% Senior Notes due 2026 (the "**Notes**").
Maturity Date	July 15, 2026.
Issue Price	100% (plus accrued interest from the Issue Date).
Interest Payment Date	Semi-annually in arrears on January 15 and July 15 of each year, commencing on January 15, 2022.
Issue Date	July 8, 2021.
Interest Commencement Date	Interest will accrue from the issue date of the Notes, and will be computed on the basis of a 360-day year comprised of twelve 30-day months.
Denomination	€100,000 and integral multiples of €1,000 in excess thereof.
Ranking	The Notes will be senior unsecured obligations of the Issuer and will: • rank *pari passu* in right of payment among themselves and to existing and future unsecured indebtedness of the Issuer that is not subordinated to the Notes, including the New Term Loan and drawings under the Revolving Credit Facility; • rank senior in right of payment to any existing or future indebtedness of the Issuer that is subordinated to the Notes; • be effectively subordinated to all existing and future secured indebtedness of the Issuer to the extent of the assets securing such indebtedness; and

- be structurally subordinated to all existing and future indebtedness of the Issuer's subsidiaries.

Guarantees .... On or about the Issue Date, the Notes will be guaranteed on a senior unsecured basis by Elior Participations.

No later than October 31, 2021, the Post Issue Date Guarantors, will guarantee the due and punctual payment of certain amounts due and payable in respect of the Notes.

The Guarantees will be subject to contractual and legal limitations that may limit their enforceability, and the Guarantees may be released under certain circumstances.

See "*Risk Factors—Risks Related to the Notes and the Guarantees*" and "*Limitations on the Validity and Enforceability of the Guarantees and Certain Insolvency Law Considerations*."

For corporate information regarding the Guarantors, see "*Listing and General Information—Guarantor Legal Information*."

For the year ended September 30, 2019 (the last full-year period which was not adversely impacted by COVID-19), the Issuer and the Guarantors generated 66% of the Group's revenue and 80% of the Group's Adjusted EBITDA. As of March 31, 2021, the Issuer and the Guarantors held 77% of the Group's total assets.

Ranking of the Guarantees .... Each Guarantee will be the senior unsecured obligations of such Guarantor and will:

- rank *pari passu* in right of payment among themselves and to existing and future unsecured indebtedness of such Guarantor that is not subordinated to such Guarantee, including such Guarantor's obligations under the New Term Loan;

- rank senior in right of payment to any existing or future indebtedness of such Guarantor that is subordinated to such Guarantee;

- be effectively subordinated to all existing and future secured indebtedness of such Guarantor to the extent of the assets securing such indebtedness; and

- be structurally subordinated to all existing and future indebtedness of such Guarantor's subsidiaries.

Optional Redemption .... The Issuer may redeem some or all of the Notes at any time:

- prior to July 15, 2023, at a redemption price equal to 100% of their principal amount plus the applicable "make whole" premium (as described under "*Description of the Notes—Optional Redemption—Make-whole Redemption*") plus accrued and unpaid interest, if any, to the date of redemption; and

- on or after July 15, 2023, at the redemption prices set forth under "*Description of the Notes—Optional Redemption—Optional Redemption on or after July 15, 2023*" plus accrued and unpaid interest, if any, to the date of redemption.

In addition, at any time until July 15, 2023, the Issuer may, at its option and on one or more occasions, redeem up to 40% of the aggregate principal amount of the Notes at a redemption price of 103.7500% of their principal amount plus accrued and unpaid interest, if any, to the redemption date, with the proceeds of certain equity offerings. See "*Description of the Notes—Optional Redemption—Optional Redemption upon an Equity Offering*."

Redemption for Taxation Reasons .... The Issuer may, but is not required to, redeem the Notes at any time in whole, but not in part, at a price equal to 100% of the principal amount thereof plus accrued and unpaid interest, if any, to the date of redemption in the event that certain changes in tax laws or their interpretation result in the Issuer becoming obligated to pay "additional amounts" on payments to be made with respect to such Notes. See "*Description of the Notes—Optional Redemption--*

Redemption Upon Change in Withholding Taxes."

Additional Amounts............................... Except as provided in "*Description of the Notes—Additional Amounts*", all payments to be made with respect to the Notes will be made without withholding or deduction for, or on account of, present and future taxes in any relevant taxing jurisdiction unless required by applicable law. If withholding or deduction for such taxes is required to be made with respect to a payment on the Notes, subject to certain exceptions, the Issuer will pay the additional amounts necessary so that the net amount received by holders of the Notes after the withholding or deduction is not less than the amount that they would have received in the absence of the withholding or deduction.

Change of Control .... Upon the occurrence of a "Change of Control" (as defined in the "*Description of the Notes*") with respect to the Notes, holders of Notes will have the right to require the Issuer to repurchase all or part of such Notes, at a purchase price equal to 101% of the outstanding principal amount thereof, plus accrued and unpaid interest, if any, to the date of such repurchase. See "*Description of the Notes—Certain Covenants—Change of Control*."

Covenants .... The indenture (the "**Indenture**") governing the Notes will, among other things, limit the ability of the Issuer and of certain "restricted" subsidiaries to:

- incur or guarantee additional indebtedness and issue certain preferred stock;
- create certain liens or permit certain liens to exist;
- pay dividends, redeem capital stock or make certain other restricted payments or investments;
- sell assets, including capital stock of restricted subsidiaries;
- engage in transactions with affiliates; and

- merge or consolidate with other entities.

Each of the covenants is subject to a number of important exceptions and qualifications. See "*Description of the Notes—Certain Covenants*."

The above covenants (with the exception of the limitation on the ability to create or permit certain liens) will be suspended during achievement of investment grade status for the Notes, in the event that the Notes have been assigned at least two of the following ratings: (x) BBB- or higher by S&P, (y) Baa3 or higher by Moody's and (z) BBB- or higher by Fitch.

Form of Notes .... The Notes will be represented on issue by global Notes which will be delivered through Euroclear Bank S.A./N.V., and Clearstream Banking, S.A. Interests in a global Note will be exchangeable for the relevant definitive Notes only in certain limited circumstances. See "*Book Entry, Delivery and Form*."

Transfer Restrictions............................. The Notes have not been and will not be registered under the U.S. Securities Act or the securities laws of any other jurisdiction. The Notes offered hereby are being offered and sold outside the United States in reliance on Regulation S under the U.S. Securities Act. See "*Plan of Distribution*" and "*Transfer Restrictions*."

No Prior Market...................................... The Notes will be new securities. Accordingly, the Issuer cannot assure you that a liquid market for the Notes will develop or be maintained. See "*Risk Factors—Risks Related to the Notes and the Guarantees—There currently exists no market for the Notes, and we cannot assure you that such an active trading market for the Notes will develop*."

Use of Proceeds...................................... In connection with the offering of the Notes, the Issuer will receive net proceeds of approximately €485 million after deduction of costs (including those related to our new senior bank debt) and underwriting commissions. These net proceeds, together with available cash, will be used to repay the Issuer's existing term loan, for general corporate purposes and to pay transaction fees and expenses. See "*Use of Proceeds*."

Listing and Trading	Application will be made to admit the Notes to the Official List of the Luxembourg Stock Exchange and admit the Notes for trading on the Euro MTF Market. You should note, however, that there is currently no trading market for the Notes, and we cannot assure you that an active or liquid market in the Notes will develop.
Trustee	U.S. Bank Trustees Limited.
Paying Agent	Elavon Financial Services DAC.
Registrar	Elavon Financial Services DAC.
Transfer Agent	Elavon Financial Services DAC.
Governing Law of the Notes, the Guarantees and the Indenture	State of New York.
Further Issues	The Issuer may, without notice to or the consent of the holders or beneficial owners of the Notes, create and issue Additional Notes having the terms and conditions as the Notes (except for the issue date, the initial interest accrual date and the amount of the first payment of interest).
Risk Factors	You should refer to "*Risk Factors*" beginning on page 26 of this Offering Memorandum for an explanation of certain risks involved in investing in the Notes.

SUMMARY HISTORICAL CONSOLIDATED FINANCIAL INFORMATION AND OTHER DATA

Overview

The following tables present summary historical consolidated financial information and other data for the Issuer, as of and for each of the years ended September 30, 2020, 2019 and 2018 and as of for the six months ended March 31, 2021 and 2020. The summary consolidated financial information and other data presented in the tables below has been derived from the consolidated financial statements of the Issuer, which are included in or incorporated by reference into this Offering Memorandum.

This section should be read in conjunction with the financial statements included in or incorporated by reference into this Offering Memorandum as well as the disclosures provided under "*Presentation of Financial and Other Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*."

Changes in Accounting Standards and Accounting Policies

On October 1, 2019, we adopted IFRS 16 (Leases). The main impact of the new standard for lessors is IFRS 16 removes the distinction between operating leases and finance leases. In accordance with the IFRS 16 transition provisions, we applied the modified retrospective approach and have therefore not restated prior-period comparative figures. The first time adoption of the new standard has no impact on equity. As a result, the financial information presented in the tables below as of and for the years ended September 30, 2018 and 2019 do not reflect the application of IFRS 16. For more information, see "*Presentation of Financial and Other Information—Application of IFRS 16 (Leases)*" and Note 6.1.3 to our 2020 consolidated financial statements incorporated by reference into this Offering Memorandum.

Consolidated Income Statement Data

	For the year ended September 30,			For the six months ended March 31,	
	2018 (restated)(1)	2019 (audited)	2020 (audited)	2020 (unaudited)	2021 (unaudited)
			(in € millions)		
Revenue	**4,886**	**4,923**	**3,967**	**2,459**	**1,869**
Purchase of raw materials and consumables	(1,557)	(1,557)	(1,287)	(797)	(578)
Personnel costs	(2,390)	(2,436)	(2,077)	(1,232)	(1,003)
Share-based compensation expense	(29)	5	-	(2)	-
Other operating expenses	(564)	(561)	(420)	(250)	(195)
Taxes other than on income	(74)	(71)	(71)	(43)	(36)
Depreciation, amortization and provisions for recurring operating items	(125)	(122)	(178)	(84)	(81)
Net amortization of intangible assets recognized on consolidation	(19)	(21)	(20)	(10)	(9)
Recurring operating profit/(loss) from continuing operations	**128**	**160**	**(86)**	**41**	**(33)**
Share of profit of equity-accounted investees	(1)	-	(3)	(1)	(1)
Recurring operating profit/(loss) including share of profit of equity-accounted investees	**127**	**160**	**(89)**	**40**	**(34)**
Non-recurring income and expenses, net	(82)	(27)	(240)	(6)	(3)

	For the year ended September 30,			For the six months ended March 31,	
	2018 (restated)(*)	2019 (audited)	2020 (audited)	2020 (unaudited)	2021 (unaudited)
			(in € millions)		
Operating profit/(loss) including share of profit of equity- accounted investees	**45**	**133**	**(329)**	**34**	**(37)**
Financial expenses	(81)	(89)	(45)	(20)	(26)
Financial income	13	20	7	3	6
Profit/(loss) from continuing operations before income tax	**(23)**	**64**	**(367)**	**17**	**(57)**
Income tax	(2)	4	(83)	(15)	4
Net profit/(loss) for the period from continued operations	(25)	68	(450)	2	(53)
Net profit/(loss) for the period from discontinued operations	63	202	(37)	(20)	(3)
Net profit for the period	**38**	**270**	**(487)**	**(18)**	**(56)**
Attributable to:					
Owners of the parent	34	271	(483)	(17)	(53)
Non-controlling interests	4	(1)	(4)	(1)	(3)

(*) The data for the year ended September 30, 2018 has been restated for the Areas Sale. See "*Presentation of Financial Information and Other Data—Sale of the Concession Catering business.*"

Consolidated Statement of Financial Position Data

	As of September 30,			As of March 31
	2018 (audited)	2019 (audited)	2020 (audited)	2021 (unaudited)
		(in € millions)		
Goodwill	2,541	1,851	1,719	1,720
Intangible assets	524	262	221	210
Property, plant and equipment	747	392	314	295
Right-of-use assets	-	-	238	248
Other non-current assets	-	8	6	4
Non-current financial assets	72	104	111	111
Equity-accounted investees	9	1	-	-
Fair value of derivative financial instruments	8	-	-	-
Deferred tax assets	189	162	74	82
Total non-current assets	**4,090**	**2,780**	**2,683**	**2,670**
Inventories	132	94	102	92
Trade and other receivables	879	675	625	583
Contract assets	-	-	-	-
Current income tax assets	23	32	14	10
Other current assets	97	47	54	58
Short-term financial receivables	2	-	3	4
Cash and cash equivalents	143	83	41	32
Assets classified as held for sale	-	10	17	23
Total current assets	**1,276**	**941**	**856**	**802**
Total assets	**5,366**	**3,721**	**3,539**	**3,472**
Share capital	2	2	2	2
Reserves and retained earnings	1,458	1,662	1,152	1,106
Translation reserve	-	4	(19)	(23)
Non-controlling interests	11	2	(3)	(5)
Total equity	**1,471**	**1,670**	**1,132**	**1,080**

	As of September 30,			As of March 31
	2018 (audited)	2019 (audited)	2020 (audited)	2021 (unaudited)
		(in € millions)		
Long-term debt	1,874	602	781	803
Long-term lease liabilities	-	-	192	201
Fair value of derivative financial instruments	5	9	6	3
Non-current liabilities relating to share acquisitions	100	70	18	14
Deferred tax liabilities	59	13	-	-
Provisions for pension and other post-employment benefit obligations	109	104	96	91
Other long-term provisions	20	15	23	24
Other non-current liabilities	6	-	-	-
Total non-current liabilities	**2,173**	**813**	**1,116**	**1,136**
Trade and other payables	850	550	448	486
Due to suppliers of non-current assets	75	15	11	11
Accrued taxes and payroll costs	601	476	536	484
Current income tax liabilities	11	15	1	6
Short-term debt	84	16	2	3
Short-term lease liabilities	-	-	58	61
Current liabilities relating to share acquisitions	16	2	2	2
Short-term provisions	51	63	130	118
Contract liabilities	-	49	62	41
Other current liabilities	34	38	21	17
Liabilities classified as held for sale	-	14	20	27
Total current liabilities	**1,722**	**1,238**	**1,291**	**1,256**
Total liabilities	**3,895**	**2,051**	**2,407**	**2,392**
Total equity and liabilities	**5,366**	**3,721**	**3,539**	**3,472**

Consolidated Cash Flow Data

	For the year ended September 30,			For the six months ended March 31,	
	2018 (restated)(*)	2019 (audited)	2020 (audited)	2020 (unaudited)	2021 (unaudited)
			(in € millions)		
Net cash from operating activities – continuing operations	181	287	50	84	42
Net cash used in investing activities – continuing operations	(368)	(123)	(99)	(58)	(30)
Net cash from/(used in) financing activities – continuing operations	182	(1,381)	70	680	(16)

(*) The data for the year ended September 30, 2018 has been restated for the Areas Sale. See "*Presentation of Financial Information and Other Data—Sale of the Concession Catering business.*"

Other Financial Data

	For the year ended September 30,			For the six months ended March 31,	
	2018 (restated)(*)	2019	2020	2020	2021
		(in € millions, except percentages)			
Free cash flow	68	227	(15)	42	31
Adjusted EBITA from continuing operations	175	176	(69)	52	(25)
EBITDA	271	303	111	135	57
Adjusted EBITDA	300	298	111	138	57
Revenue growth	4.6%	0.8%	(19.4)%	-	(24.0)%

	For the year ended September 30,			For the six months ended March 31,	
	2018 (restated)(*)	2019	2020	2020	2021
	(in € millions, except percentages)				
Organic revenue growth	2.5%	(0.8)%	(19.7)%	-	(22.3)%

(*) The data for the year ended September 30, 2018 has been restated for the Areas Sale. See "*Presentation of Financial Information and Other Data—Sale of the Concession Catering business*."

Free Cash Flow

	For the year ended September 30,			For the six months ended March 31,	
	2018	2019	2020	2020	2021
	(in € millions)				
EBITDA (pre-IFRS 16)	**271**	**303**	**53**	**107**	**27**
Net capital expenditures	(162)	(114)	(89)	(53)	(29)
Net change in net operating working capital	3	84	(9)	(38)	12
Change in operating working capital from Operations	5	60	35	(57)	(1)
Securitization	(30)	29	(14)	17	18
U.S. minority shareholders	27	(5)	(23)	-	(7)
Other	-	-	(7)	2	2
Other cash movements(*)	**(23)**	**(22)**	**(17)**	**(4)**	**(13)**
Operating Free Cash Flow	**89**	**251**	**(62)**	**12**	**(3)**
Tax paid	(21)	(24)	(11)	2	2
Free Cash Flow (pre-IFRS 16)	**68**	**227**	**(73)**	**14**	**(1)**
Free Cash Flow EBITDA conversion	25%	75%	(138)%	12%	7%
IFRS 16 cash impact	-	-	58	28	32
Free Cash Flow (post-IFRS 16)	**68**	**227**	**(15)**	**42**	**31**

(*) Including €(3) million cash flow impact from IFRS16 for the six months ended March 31, 2021.

Pro forma Financial Data

	As of March 31
	2021 (unaudited)
	(in € millions, except ratios)
Pro forma gross debt(1)	1,189
Pro forma cash and cash equivalents(2)	137
Pro forma net debt(3)	1,053
Pro forma net debt (pre-IFRS 16)(4)	810
Ratio of *pro forma* net debt (pre-IFRS 16) to FY2019 Adjusted EBITDA(5)	2.7x
Ratio of FY2019 Adjusted EBITDA(5) to *pro forma* interest expense(6)	7.5x

(1) Represents the principal amount of our indebtedness as of March 31, 2021, adjusted for the effects of the Offering as if the Issue Date were March 31, 2021. See "*Use of Proceeds*" and "*Capitalization*."

(2) Represents cash and cash equivalents as of March 31, 2021, adjusted for the Offering as if the Issue Date were March 31, 2021 assuming an issue price of par and payment of the fees and expenses related to the Offering from the cash to be used for general corporate purposes. See "*Use of Proceeds*" and "*Capitalization*."

(3) Represents *pro forma* gross debt minus *pro forma* cash and cash equivalents. See "*Use of Proceeds*" and "*Capitalization*."

(4) Represents *pro forma* gross debt minus IFRS 16 lease liabilities of €243 million minus *pro forma* cash and cash equivalents. See "*Use of Proceeds*" and "*Capitalization*."

(5) As described elsewhere in this Offering Memorandum under "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" the year ended September 30, 2020 was significantly and adversely affected by the COVID-19 pandemic, which resulted in a decrease in our revenue due to the closure of many locations where we would ordinarily receive guests. To assist investors in evaluating what management believes to be the cash generation and interest coverage characteristics of our business, we have decided to present certain ratios using our Adjusted EBITDA for the year ended September 30, 2019, which represents the most recent financial year of trading that was not affected by the COVID-19 pandemic. This presentation is for illustrative purposes only, does not represent the results that we would have achieved had the COVID-19 pandemic not occurred and is not intended to be a projection, estimate or guarantee of performance regarding Adjusted EBITDA performance for the year ending September 30, 2021 or any other future period which may be affected by further waves of coronavirus infection, macroeconomic developments and the vaccine rollout. Investors are strongly cautioned against undue reliance on this presentation when evaluating an investment decision. See "*Risk Factors—Risks Related to Our Business, Industry and Markets—COVID-19 has affected our business and may further affect our business in the future*" and "*Presentation of Financial Information and Other Data—Non-IFRS Financial Measures*" for the definition of Adjusted EBITDA.

(6) *Pro forma* interest expense represents the historical interest expense, as adjusted to show the effects of the Offering as if the Offering had taken place on April 1, 2020 and assuming the Revolving Credit Facility was undrawn. *Pro forma* interest expense has been presented for illustrative purposes only and does not purport to represent what our interest expense would have actually been had the Offering occurred on the date assumed, nor does it purport to project our net interest expense for any future period or our financial condition at any future date.

Key Performance Indicators

	For the year ended September 30,		
	2018 (◊)	**2019**	**2020**
Guests served per day (in thousands)	5,100	5,000	4,000
of which Business & Industry	1,600	1,600	1,200
of which Education	2,900	2,700	2,100
of which Health & Welfare	600	610	570
Points of sale (#)	23,500	23,000	22,700
of which Business & Industry	*6,500*	*6,000*	*5,600*
of which Education	*14,000*	*13,900*	*14,100*
of which Health & Welfare	*3,000*	*3,000*	*3,000*

(◊) The data for the year ended September 30, 2018 is presented as adjusted for the Areas Sale. See "*Presentation of Financial Information and Other Data—Sale of the Concession Catering business*."

COVID-19 impact and recovery

Meal Volumes (COVID-19 impact)

The following table shows the percentage of meal volumes served in select months of the year ended September 30, 2020 compared to same period in the year ended September 30, 2019.

	April 2020	**May 2020**	**June 2020**	**July 2020**	**August 2020**	**September 2020**
Business & Industry	10%	17%	36%	49%	58%	66%
Education	7%	12%	47%	68%	83%	95%
Health & Welfare	79%	81%	88%	91%	91%	91%

The following table shows the percentage of meal volumes in France and Internationally served in the periods indicated compared to the same period in the year ended September 30, 2019.

	2020		**2021**	
	Quarter 3	**Quarter 4**	**Quarter 1**	**Quarter 2**
France	33%	77%	74%	76%
United States	85%	92%	84%	85%
Iberia	34%	72%	78%	71%
Italy	33%	62%	59%	62%
United Kingdom	44%	51%	59%	44%

The following table shows the percentage of meal volumes in France by end market served in the periods indicated compared to the same period in the year ended September 30, 2019.

	2020		2021	
	Quarter 3	Quarter 4	Quarter 1	Quarter 2
Business & Industry	21%	58%	47%	44%
Education	22%	87%	86%	92%
Health & Welfare	83%	91%	89%	87%

Change in Revenue (COVID-19 impact)

The following table shows the percentage of revenue for the periods indicated compared to the same period in the year ended September 30, 2019.

	2020		2021	
	Quarter 3	Quarter 4	Quarter 1	Quarter 2
France	50%	84%	77%	76%
International	57%	72%	69%	69%

RISK FACTORS

An investment in the Notes involves a high degree of risk. You should read and carefully consider the risks described below and the other information contained in this Offering Memorandum before making an investment in the Notes. Any of the following risks could materially and adversely affect our business, financial condition or results of operations and this, in turn, could adversely affect our ability to repay the Notes and cause you to lose all or part of your original investment.

The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially and adversely affect our business, financial condition or results of operations. If any of those risks actually occurs, our business, financial condition and results of operations would suffer.

This Offering Memorandum includes forward-looking statements that involve risks and uncertainties and our actual results may differ substantially from those discussed in these forward-looking statements. See "Forward-Looking Statements."

Risks Related to Our Business, Industry and Markets

We are exposed to risks associated with food safety and the food supply chain, which may subject us to liability claims, harm our reputation or negatively affect our relationship with clients.

Our main business activity is preparing and serving meals as well as selling food products in connection with the provision of outsourced services (contract catering). Consequently, we are specifically exposed to loss or damage resulting from actual or perceived issues regarding the safety or quality of the food we propose. Any inappropriate preparation methods, production systems or behavior could harm the quality of the food services we provide. Claims of illness or injury relating to contaminated, spoiled, mislabeled or adulterated food may require costly measures to investigate and remediate, such as withdrawing products from sale or destroying supplies and inventory that are unfit for consumption.

Our catering activities rely on strict adherence by employees to standards for food handling and catering operations. Claims related to food quality or food handling are common in the contract catering industry and may arise at any time. If we were to be found negligent in terms of food safety, we could be exposed to significant liability, which could have an adverse impact on our operating performance. Even if such claims are without merit, any negative publicity concerning food safety could damage our reputation and negatively affect our sales.

Our catering activities also expose us to the risks inherent to the food industry in general, such as the risk of widespread contamination of foodstuffs, problems related to product traceability, nutritional concerns and other health-related issues. From time to time, food suppliers are forced to recall products and as a result the Group may have to remove certain products from its inventory and source inventory from other providers. Such events can be highly disruptive to our business.

If any of the above were to occur, it could have a material adverse effect on our business, reputation, results of operations and financial position.

We are specifically exposed to health security risks which could significantly affect our image.

We are exposed to food and non-food risks which, if they occurred, could damage our reputation and have an adverse impact on our business. We are specifically exposed to a negative promotion of our image resulting from the communication of actual or perceived issues concerning our operations.

If we are not properly prepared for managing a crisis, the occurrence of such a crisis could destabilize our business and lead to the loss of contracts. Any inadequate management of a crisis after its occurrence, or lack of communication over a report of an actual or perceived food safety incident that is broadcast on traditional and social media could call into question executive management's handling of risk prevention processes.

Certain events that constitute unanticipated crisis scenarios, by country or by business, could reveal weaknesses in our risk mapping and crisis management procedures. Any mismanagement of internal and/or external communications could damage our image and have negative repercussions on us, both for our staff and financial position. For example, existing or potential clients could decide to terminate or not renew a contract, or renegotiate their contract at a lower cost.

COVID-19 has affected our business and may further affect our business in the future.

All six countries where Elior Group runs activities were impacted by the COVID-19 event, the confinement measures and its economic impact. The catering sector and particularly Business & industry and Education markets were severely impacted.

The following risk mapping presents the causes/risks, consequences and impacts of COVID-19 that have occurred and may in the future reoccur.

Causes / Risks	**Consequences**	**Impacts**
• Vaccine not available • Ineffective sanitary barrier measures • Impossible for states to stop / slow down propagation	• (Re) confinement of Group partners, Group employees and/or guests	• Site closures and loss of turnover during this period • Group employees infected or in distress • Obsolete stocks • Economic recession leading to the bankruptcy of customers, suppliers and partners • Fraud and non-compliance due to reduced controls, reduced vigilance and increased pressure on results • Searching and obtaining financing creating new debts and obligations • Decrease in profitability: relocation of purchases/suppliers leading to higher prices, costs of setting up health barrier measures/lower volumes at the sites, etc. • Remote working / modification of the model

- Increase in social costs (closure of sites, partial activity, etc.)

We may be unable to implement our "New Elior" strategy.

In June 2019, Philippe Guillemot, our CEO, presented the New Elior plan, which sets out our strategy up until 2024. With the sale of Areas, we have become the world's second-largest pure player in contract catering & services, just behind Compass. Although our goals vary from one region to another, our aim is to double our operating presence in the United States.

Our growth plan requires us to successfully implement new start-up and acceleration projects and to integrate new acquisitions. We expect to draw on our skilled, experienced managers at every level of the organization to ensure that our acquisitions are successfully integrated and that the related synergies are leveraged. Any inability to successfully integrate new acquisitions could have significant adverse impacts on our business and/or our financial and operating performance.

Mergers and acquisitions may not meet strategic objectives, suffer from poor integration and lack of synergies.

We are exposed to the following risks related to post-acquisition issues:

- we may not be able to retain the acquired businesses' key personnel or key client contracts (which, for contracts, can be due to a "change of control" clause);

- we may encounter unanticipated events, circumstances or legal liabilities related to the acquired businesses for which we may be liable as the successor owner or controlling entity in spite of any due diligence we conducted prior to the acquisition;

- labor laws in certain countries may require us to retain more employees than would otherwise be optimal from entities we acquire;

- future acquisitions could result in the Group incurring additional debt and related interest expense or contingent liabilities and amortization expenses related to intangible assets, which could have a material adverse effect on our financial and operating performance and/or cash flow;

- future acquisitions could result in the assumption of liabilities in excess of those valued during the due diligence phase, notably relating to disputes and litigation;

- future acquisitions may be subject to approval by antitrust or competition authorities, which could seriously delay or even prevent completion of the transactions;

- an acquisition may not achieve the anticipated synergies (due to strong cultural differences for example) or other expected benefits, or may give rise to higher risks (strikes, employee demotivation, etc.) than identified during the acquisition process;

- an acquisition could give rise to cultural integration problems for the acquired entity;

- we may incur substantial costs, delays or other operational or financial problems in integrating acquired businesses, such as costs and issues relating to managing, hiring and training new personnel, the integration of information technology and reporting, accounting and internal control systems or problems coordinating supply chain arrangements; in some cases, the costs incurred may not be offset by the profit generated by the acquired businesses;

- we may incur costs associated with developing appropriate risk management and internal control structures for acquisitions in a new market, or understanding and complying with a new regulatory environment;

- additional investments may be needed in order to understand new markets and follow trends in those markets in order to compete effectively;

- we may have a reduced ability to predict the future performance of an acquired business in the event we have less experience in the acquired business's market than in our existing markets, particularly if we underestimate the level and extent of market competition; and

- acquisitions may divert our management's attention from running existing operations.

The success of each of our businesses relies on our ability to generate organic growth by winning new business from clients who choose to outsource.

A large proportion of contract catering and services business is generated from a competitive bidding process between the Group and several other service providers. In order to win a contract, we must be able to demonstrate our value proposition effectively. We therefore devote significant time and effort to preparing the bid or proposal for a competitive bidding process. A detailed analysis is carried out on the costs incurred during this phase, which are expensed if the bid is unsuccessful.

Even if a bid is successful, we may not be able to fully evaluate the contract until operations actually begin.

If any undertakings written into the service offering and/or the service contract signed with the client are not respected, this may lead to the loss of the contract if the client considers that it is not getting sufficient value added from the service provided.

In addition, we may have to terminate a contract that is unprofitable. However, our ability to terminate our contracts may be limited. For example, our contract catering and services contracts with public entities are difficult to terminate because of certain contractual provisions that are required by law to be included in public sector contracts. If we underestimate the cost of providing our services under a particular contract and we are unable to terminate or renegotiate the contract, we could incur significant losses that could have an adverse effect on our business. As the parameters used for assessing the profitability of a future contract derive from the client's specifications, these parameters cannot always be checked and, in addition, are subject to change

Our competitors range from local small and medium-sized enterprises to multinational corporations. If our clients do not perceive the quality and cost value of our services, or if there is insufficient demand for new services, this could have an adverse effect on our business and earnings.

Any failure to successfully adapt to these or other changes in the competitive and/or regulatory landscape could result in a loss of market share, decreased revenue and/or a decline in profitability.

We are exposed to the risk that we may lose key contracts.

We provide most of our services on a contractually outsourced basis at client sites. Contracts represent volatile assets as there are a range of reasons why they can be lost or terminated including competition, client insourcing, site closures.

We conduct business with our contract catering and services clients under contracts that either have a stated term or may be terminated with advance notice. Contracts may be terminated, or not renewed, if one of our competitors offers the same service for a lower price or in the event of changes in market trends. Our business depends on our ability to renew contracts and win new contracts under favorable financial conditions. We cannot predict whether a client will choose to cancel a contract or allow it to lapse. Moreover, even if contracts are renewed, their new terms may be less advantageous than previously or they may require the Group to incur significant capital expenditure. Clients may also decide to insource the contract catering and/or services previously outsourced to the Group or to relocate their sites or change their strategy.

The loss of a large contract or the loss of multiple contracts simultaneously could have a material adverse effect on the Group's financial and operating performance. Furthermore, client dissatisfaction with the Group's services could damage its reputation and negatively impact our ability to win new contracts, which could also have a material adverse effect on our business and our financial and operating performance.

We are exposed to risks relating to contract monitoring, client retention strategy and contract profitability.

Our business activities span six main countries, each of which has a different culture. Consequently, although our contracts often include general, pre-drafted clauses, many of them also contain specific negotiated clauses, which can lead to additional liability. We use franchised brands in several of its markets. Lastly, activities carried out by the Group that generate low margins require a strict credit management policy.

Some contracts may contain clauses that could incur our liability or result in us bearing risks that were poorly understood at the outset, which could have an adverse impact on its financial and operating performance.

We are reliant on clients' ability to pay for our services. If a client experiences financial difficulties, payments may be significantly delayed and ultimately we may not be able to collect the amounts due under our contracts, resulting in bad debt write-offs. Significant or recurring bad debts could have a material adverse effect on our financial and operating performance.

We are exposed to supply chain and logistics-related risks.

We have to regularly supply food and non-food products to 15,000 sites and 23,000 restaurants and points of sale, while minimizing the collective and individual health and safety risks involved. We rely on the relationships we build up with our suppliers. In the event of a dispute with any supplier or if a supplier were to experience financial difficulties, deliveries of supplies could be delayed or cancelled, or the Group could be forced to purchase supplies at a higher price from other suppliers.

In addition, a number of factors beyond our control or our suppliers could harm or disrupt our supply chain. Such factors include unfavorable weather conditions or natural disasters (such as earthquakes or hurricanes), government action, fire, terrorism, the outbreak or escalation of armed conflicts, pandemics, workplace accidents or other occupational health and safety issues, labor actions or customs or import restrictions (such as those related to “Brexit”).

Our catering business also relies on our ability to purchase food supplies and prepare meals on a cost-efficient basis. Any increases in food prices or supply costs could affect the Group's profitability if they cannot be passed on to clients.

We are exposed to risks related to public procurement codes and antitrust law.

Our subsidiaries are highly decentralized and often negotiate their own service-level agreements with public bodies, which themselves are subject to specific laws and codes.

We derive a significant portion of our revenue from contracts with public sector entities. Business generated by public sector clients may be affected by political and administrative decisions regarding levels of public spending, particularly in light of the current attention in certain countries in which we operate to reducing national and local government budget deficits.

We also have to respect certain legal requirements (for example, if we fail to pay our payroll taxes, we can be excluded from participating in tenders for public contracts). We have to produce various administrative documents (directors' criminal record checks and various types of certifications) and we have to demonstrate compliance with all applicable legal obligations. We must also be vigilant to comply with anti-bribery and related laws and regulations and could incur liability if our policies and procedures do not detect any illegal acts.

If we do not comply with the procedural regulations applicable to tenders for public contracts, our bid may be rejected or a successful bid could be challenged by the authorities or an unsuccessful competitor and the allocation of the contract to the Group canceled. This type of challenge to the allocation of a public contract can also happen when the Group has already begun work on the contract concerned. In such a case costs would be incurred (legal fees, business termination fees etc.) that would adversely impact the profitability of the operating entity concerned.

In addition, any failure to comply with the applicable laws and regulations could result in fines, penalties and other sanctions, including exclusion from participation in tenders for public contracts.

Our business may be affected if we were to lose a key supplier.

We rely on our relationships with suppliers of both food and non-food items in the operation of our business in certain markets that have a restricted number of key suppliers, in particular in our contract catering business.

If we were to lose the ability to purchase from a key supplier, it would be more difficult for us to meet our supply needs unless we rapidly found a substitute supplier. Moreover, the suppliers of some products can have a monopoly or be in an oligopoly. We are therefore exposed to a risk of a concentration of suppliers.

We are exposed to a risk of the misappropriation of funds at each level of our catering operations.

As we operate 23,000 restaurants and points of sale in six main countries, which are run by a significant proportion of its 105,000 employees, considerable amounts of cash are handled by a large number of employees.

Operating agents may not record all of their sales and/or cash collected in the information systems provided, and large amounts of cash kept on site could be subject to fraudulent acts (theft, embezzlement, etc.). In addition, the measures in place to trace funds during their transit to banks or to record funds in the accounts may be inadequate.

We are also exposed to the risk of intentional external fraud (identity theft, theft of bank details, taking over IT systems etc.).

Clients may not fulfil their payment obligations to us.

We are exposed to the risk of client insolvency (in the private and public sector) and may have problems collecting the amounts it has invoiced if our clients encounter financial difficulties.

We may not be able to implement our acquisition strategy.

In the past, the Group has made strategic, targeted acquisitions as part of our growth strategy. We intend to continue to develop and expand our operations through further acquisitions, particularly in the United States. Our inability to successfully complete acquisitions or integrate acquired companies may render us less competitive. The preparation and completion of acquisitions may require significant input from our management teams and divert management and financial resources away from the day-to-day running of the business.

Among the risks associated with acquisitions that could have a material adverse effect on the Group's business and/or its image and/or its financial and operating performance are the following related to acquisition opportunities:

- acquisition decisions may be taken without following a formal process or without ensuring that a business plan is in place;
- we may not find suitable acquisition targets;
- market information/analyses about the targets may not be reliable, or may be inaccurate or uncertain;
- we may not be able to effectively plan and/or complete a given acquisition (lack of involvement by support services such as HR, Finance, Legal, IT etc.);
- we may be unable to arrange financing for an acquisition, or to obtain financing on satisfactory terms;
- we may face increased competition for acquisitions as markets in which we operate undergo continuing consolidation;
- we may overpay for the acquisition target;
- the expected synergies may not actually be generated; and
- we are also exposed to risks arising from the acquisitions themselves.

The Group may also face risks in relation to any divestments it may undertake.

Divestments could result in losses and write-downs of goodwill and other intangible assets. Furthermore, it may encounter unanticipated events or delays and retain or incur legal liabilities related to the divested business with respect to employees, clients, suppliers, subcontractors, public authorities or other parties. Any of these events could have a material adverse effect on our business and our financial and operating performance.

We are exposed to certain risks due to the international scope of our operations and our decentralized management structure.

We seek to create value by leveraging the synergies and the commercial strength of a multinational group. In order to do so, we must structure our organization and operations appropriately while respecting the various tax laws and regulations of the jurisdictions in which we operate, which are generally complex. Additionally, because tax laws may not provide clear-cut or definitive doctrines, the tax regime applied to our operations and intragroup transactions or reorganizations is sometimes based on our interpretations of tax laws and regulations. We cannot guarantee that such interpretations will not be challenged by the relevant tax authorities, which may adversely affect our financial and operating performance. Tax laws and regulations are subject to change, and new laws and regulations may make it difficult for us to restructure our operations in a tax-efficient manner. More generally, any failure to comply with the tax laws or regulations of the countries in which we operate may result in reassessments, late payment interest, fines or other penalties.

The services the Group provides to its clients are subject to value added tax, sales taxes or other similar taxes. Tax rates may increase at any time, and any such increase could affect the Group's business and the demand for its services. This in turn could reduce our operating profit, negatively affecting our operating performance.

Our international operating presence exposes it to the risk of being unaware of changes in local regulations and/or accounting rules (local GAAP and IFRS). Any failure to take into account such changes or to comply with the new rules would have significant financial impacts and could even result in errors in the Group’s financial statements.

The Group cannot guarantee that its property, plant and equipment, intangible assets, financial assets and components of its working capital will not be subject to any impairment in value.

In view of its past acquisitions, we have a significant amount of goodwill recognized in our balance sheet, whose recoverability is tested regularly via impairment tests. If there is an indication of impairment, an impairment loss is recognized, which directly impacts the financial statements. Impairment may result from a deterioration in the Group’s performance, a decline in expected future cash flows, a deterioration in market conditions, or adverse changes in applicable laws and regulations. The amount of any goodwill impairment losses recognized is expensed immediately in the income statement and may not be subsequently reversed. For example, the Group recognized a €63.7 million goodwill impairment loss in its financial statements for the year ended September 30, 2018.

Any future impairment of goodwill would result in material reductions of the Group’s net profit and equity under IFRS.

Furthermore, the Group may record deferred tax assets on its balance sheet, reflecting future tax savings resulting from differences between the tax and accounting values of assets and liabilities or in respect of the tax loss carryforwards of its subsidiaries. Recovery of these assets in future years depends on tax laws and regulations, the outcome of potential tax audits, and the future results of the subsidiaries concerned. Any reduced ability to recover these assets due to changes in laws and regulations, potential tax reassessments, or lower than expected profits could negatively impact the Group's financial and operating performance.

Over time, the contract catering market has become very capital expenditure intensive (outlay on property, plant and equipment at production sites and points of sale). Consequently, our property, plant and equipment represent a significant weighting in our financial statements, which exposes us to the risks of obsolescence, physical deterioration of equipment, client restructuring or insolvency, loss of a major contract, or theft. As the end-consumer (the guest) is very often not the client with which we have a contractual relationship, we may be exposed to the risk of non-payment (disputes, late payments etc.).

We also have a portfolio of directly-owned brands which are recognized in the balance sheet and whose recoverable value is regularly tested and controlled (Arpège, Ansamble, Waterfall, A'viands etc.).

We are exposed to the loss, theft or leak of sensitive information.

As our digital transformation programs advance, risks related to sensitive information may increase and may therefore require specific monitoring. The main risks concerned are the risk of sensitive or confidential data (social security numbers, bank codes etc.) being stolen or being accessed by unauthorized third parties; the risk of data falling out of the Group's control or being used for other purposes than those of the Group; and the risk of confidential data being leaked to a third party – either internal or external. Lastly, the increase in using of Internet of Things devices to operate the business could also lead to loss, theft or leaks of sensitive information. In addition, targeted cyber-attacks, fraud and industrial espionage are becoming increasingly sophisticated.

These risks need to be taken into account in a range of everyday personal behavior, such as using laptop computers, having sensitive conversations in public places, using the "reply all" function for emails and keeping confidential documents in public areas such as meeting rooms and digital print rooms.

If any of these risks were to occur, it could have an adverse financial impact on us and could result in a loss of confidence due to severe damage to its corporate image as well as GDPR violations, the loss of contracts, and breaches of contractual duties of confidentiality with respect to clients.

We are dependent upon strategic applications.

We rely on numerous computer systems that allow us to track and bill or record our services and costs, manage payroll and gather information upon which management bases our decisions regarding our business. The administration of our business is increasingly dependent on the use of these systems. Consequently, any system failure, down-time or interruptions that last more than 24 hours resulting from viruses, hackers or other causes, or our dependence on certain IT suppliers, could have an adverse effect on our business and our financial and operating performance.

We are exposed to the risk of loss of production resources housed at our data centers.

We are exposed to the possibility of a slowdown or erosion in its business if our IT production resources do not function properly. If our information systems are not sufficiently robust, it may not be possible for data entered by the Group's employees to be stored or accessed.

Any such loss of production resources and the ability to process the content of information systems would mean that the Group would not be able to issue financial communications with the reactivity expected of an international corporation and would not be able to effectively oversee our business and take strategic decisions.

We are dependent upon certain key personnel.

We are reliant on site, regional, divisional and senior management teams and other key personnel – including the millennial generation – for the successful operation of our businesses. Understanding the expectations of our people (salaries, career development opportunities etc.) and ensuring that these are met are essential to our success. For example, if employees feel that the salaries and career development paths offered by the Group are inadequate this could lead to high staff turnover.

The success of the Group’s operations depends on the skills, experience, efforts and policies of its executives and the continued active participation of a relatively small group of senior management personnel. If the services of all or some of these executives were to be lost, this could harm our operations, impair efforts to expand our business, damage our image and negatively impact our share price. If one or more key executives were to leave the Group, a replacement would have to appointed with the necessary qualifications to carry out the Group’s strategy, and if such a replacement were not available within the Group, he or she would have to be hired externally. Because competition for skilled employees is intense, and the process of finding qualified individuals can be lengthy and expensive, the loss of the services of key executives and employees could have a material adverse effect on the Group’s business and our financial and operating performance. We cannot provide assurance that we will continue to retain such key executives and employees.

We rely on skilled and experienced managerial personnel at each level of the organization to ensure that our operations are carried out in an effective, cost-efficient manner. Site managers are the first point of contact with clients and are key to maintaining good client relations. They also have primary responsibility for evaluating and managing costs at each of the Group's restaurants and for guaranteeing service quality and compliance with client specifications. District, regional and national managers coordinate restaurants and ensure that large-scale operational plans and/or capital expenditure projects are carried out efficiently, in line with Group instructions and policies. Finally, we depend on our senior management’s skills and experience in coordinating our operations, implementing large capital expenditure programs and formulating, evaluating and implementing new strategies.

If one or more executives were unable or unwilling to continue in their current positions, the Group may not be able to replace them easily or to provide their potential replacements with the necessary training and know-how in the short/mid-term to carry out their missions. If the Group were unable to hire or retain personnel with the requisite expertise or to train such people effectively, this could create instability within our teams and negatively impact our business, which could in turn have a material adverse effect on our financial and operating performance.

The nature of our businesses also subjects us to varying types of local, national and international regulations and standards.

Our contract catering business is subject to regulations and standards concerning food safety and preparation (allergies, intolerances etc.). Any poor use of hazardous products or uses of products that do not comply with the applicable legislation or best practices could lead to public health issues. If such a case were to occur and become widespread it could significantly harm the Group’s reputation and have a material adverse effect on our financial position if we were required to pay any compensation or damages.

As part of our services offering, we provide cleaning services to companies operating in highly regulated industries. Due to the sensitive nature of these industries, we must comply with strict operating and hygiene standards. The Group and our clients and suppliers operating in such industries are subject to highly detailed and restrictive laws and regulations regarding the provision of these services and the safety of facilities. Any failure to comply with such laws and regulations could cause us to incur fines, lose contracts or cease operations.

We are also subject to safety standards relating to the workplace, the working environment and working methods.

Our facilities may be inspected at any time, and any allegations of non-compliance with the applicable regulations can result in lawsuits and/or reputational damage and can have serious financial consequences. These standards are growing in number, especially in Europe and the United States. The extent and timing of investments required to maintain compliance may differ from our internal schedule and could limit the availability of funding for other investments. In addition, if the costs of regulatory compliance continue to increase and it is not possible for these additional costs to be passed on in the price of its services, any such changes could reduce our profitability. Any changes in regulations or evolving interpretations thereof may result in increased compliance costs, capital expenditure and other financial obligations that could affect our profitability.

More generally, our results could be negatively affected by changes in the legal or regulatory environment, such as the rules and regulations related to workplace health and safety. For example, any change in the rules concerning the use of certain chemical products could have a negative impact on the results of the Group's services business. Similarly, any changes in work-related legislation could adversely affect the Group's catering and services operations.

We are exposed to country risk.

If an event, or series of events, occurs that is beyond our control – such as armed conflicts, terrorist attacks, epidemics, natural disasters or accidents – this could result in a reduction or stoppage of operations for subsidiaries located outside France. The occurrence of such events could also affect the safety of our employees and assets in the country or countries involved.

We may also be subject to political, economic and social uncertainties in some of the countries in which we operate. The political systems in those countries may be vulnerable to the public's dissatisfaction with economic reforms, such as austerity measures, leading to social unrest. Any disruption or volatility in the political, social, legislative or regulatory environment in these countries – such as the Brexit negotiations in the UK – could have a material adverse impact on the business of the Group and our clients. Any reduction in guest numbers at the Group's sites could have a significant impact on the size of local teams and could therefore constitute a labor risk.

We are exposed to labor risk.

As a provider of outsourced services in our contract catering and services operations, we are reliant on a large workforce whose actions have a direct impact on consumers and/or who provide services at our clients' premises.

If we fail to comply with our labor-related obligations, does not respect the applicable procedures relating to overtime and paid leave, does not have close relations with local management teams and trade unions, or does not follow up on employee complaints (concerning working conditions or management behavior for example), this could lead to strikes or other forms of labor action against us. Such action could result in the Group having to pay penalties, a reduction in our services and/or the risk of losing contracts.

In addition, in all of our operations, we provide facilities that are accessible to the public either at our own or our clients' premises. Consequently, we may be subject to claims in connection with damage to, or security breaches at, a client's property or premises, interruptions of a client's business, the spread of infections at healthcare facilities, food contamination, violations of environmental and/or occupational health and safety regulations, unauthorized use of a client's property, or willful misconduct or other tortious acts by our employees or people who have gained unauthorized access to premises. Such claims may be substantial and may harm our image. Moreover, such claims may not be fully covered by insurance policies and could therefore have a material adverse effect on our business and our financial and operating performance.

We are subject to the risk that legislation applicable to the countries where we operate may change in a manner that is adverse to our interests.

We have operations in several continents, countries and states. Each of these geographic regions is subject to different local laws and regulations which may vary significantly in content and complexity from one country to another.

The laws and regulations governing the industry in which the Group operates include, but are not limited to, the following domains: employment, food, health and safety, competition and antitrust, consumer protection, data privacy and the environment. Any changes in these laws and regulations, or any failure to properly anticipate such changes, or failure to alert staff or not providing sufficient training, could have a direct material impact on the Group's business. For example, changes in the minimum wage or paid leave entitlement could lead to higher payroll costs and a lower payroll to revenue ratio and could negatively impact the Group's profitability and competitiveness.

Risks Related to Our Structure and Financial Profile

Our leverage may affect our ability to finance our operations and growth, and could have a material adverse effect on our financial position.

We currently have a substantial amount of outstanding debt. As of March 31, 2021, on a *pro forma* basis for the Offering our debt would have been €1,189 million. Our substantial level of indebtedness could have negative consequences, including:

- requiring us to dedicate a substantial portion of our cash flow from operations to servicing our debt, thus reducing the availability of free cash flow to fund organic growth and capital expenditure and for other general corporate purposes;
- increasing our vulnerability to a downturn in our business or economic conditions;
- placing us at a competitive disadvantage compared to other market players that have less debt in relation to cash flow;
- limiting our flexibility in planning for or reacting to changes in our business and our industry;
- limiting our ability to incur capital expenditure for expanding our business, notably with a view to modernizing and extending our network;
- restricting us from exploiting certain business opportunities; and
- limiting our and our subsidiaries' ability to borrow additional funds or raise equity capital in the future and increasing the costs of such additional financing.

A number of restrictive covenants in the financing agreements to which some Group companies are party may restrict our ability to operate our business.

The agreements governing our indebtedness, including the Notes offered hereby, the New Term Loan and the Revolving Credit Facility require us to comply with certain negative covenants and financial ratios (see "*Description of Certain Financing Arrangements*"). As of the date of this Offering Memorandum, the most relevant covenants in our indebtedness restrict, among other things, our ability to:

- make acquisitions or investments in joint ventures;
- make loans or be a creditor to others;
- incur debt or issue guarantees;
- create security;
- sell, transfer or dispose of assets; and
- merge or consolidate with other companies.

The restrictions contained in the agreements governing our indebtedness and the other agreements relating to our receivables securitization program could affect our ability to operate our business and may limit our ability to react to market conditions or take advantage of potential business opportunities as they arise. For example, such restrictions could adversely affect our ability to finance our operations and capital expenditure, make strategic acquisitions, investments or alliances, restructure our organization or finance our capital needs. Additionally, our ability to comply with these covenants and restrictions may be affected by events beyond our control, such as prevailing economic, financial and industry conditions. If we breach any of these covenants or restrictions, we could be in default under the above-mentioned agreements.

If there is an event of default under any of our debt instruments that is not cured or waived, the holders of the defaulted debt could terminate their commitments thereunder and/or cause all amounts outstanding with respect to such debt to be due and payable immediately, which in turn could result in cross-defaults under our other debt instruments. Any such actions could have a material adverse impact on us and could even force us into bankruptcy or liquidation.

The interests of our shareholders may be inconsistent with the interests of the holders of Notes.

The interests of our shareholders could conflict with your interests, particularly if we encounter financial difficulties or are unable to pay our debts when due. Our shareholders may have an interest in pursuing divestitures, financings or other transactions that in their judgment could enhance their equity investments, although such transactions might involve risks to you as a holder of Notes.

French tax legislation may restrict the deductibility, for French tax purposes, of all or a portion of the interest on our debt incurred in France, thus reducing the cash available to service our debt.

The French Finance Law for 2019 included specific provisions which have implemented into French tax legislation the provisions of the ATAD regarding in particular interest deductibility limitations in respect of fiscal years opened as from January 1, 2019.

In relation to such implementation, (i) (x) the provisions of Article 212 bis and 223 B bis of the French Tax Code (i.e., the former 25% general limitation of deductibility of financial expenses ("**rabot fiscal**")) and (y) Article 209-IX of the French Tax Code (the "**Amendement Carrez**" limitation) have been repealed and (ii) the provisions of Article 212-II of the French Tax Code (i.e., existing thin-capitalization rules) have been amended, as developed in more detail below.

The other rules limiting interest deductibility generally remain unchanged, in particular the rules relating to the maximum deductible tax rate for interest paid to direct minority shareholders or to related parties in the sense of Article 39.12 of the French Tax Code (Articles 39-1-3 and 212-I-(a) of the French Tax Code).

Under Article 39-1-3° of the French Tax Code, interest paid by an entity to its direct shareholders who are not related parties within the meaning of Article 39.12 of the French Tax Code are tax deductible only up to the amount of interest computed on the basis of the rate referred to in Article 39-1-3° of the French Tax Code (i.e., the annual average of the average effective floating rates on bank loans to companies with an initial maturity exceeding two years). Under Article 212 I-(a) of the French Tax Code, interest incurred on loans granted by related parties within the meaning of Article 39.12 of the French Tax Code is deductible up to the amount of interest computed on the basis of the rate referred to in Article 39-1-3° of the French Tax Code or, if higher, up to the amount of interest computed on the basis of the rate that the borrowing entity could have obtained from independent financial credit institutions in similar circumstances.

Pursuant to Article 212 bis of the French Tax Code, the deductibility of net financial expenses incurred by an entity in respect of a given fiscal year is limited to the higher of (i) €3 million and (ii) 30% of its adjusted EBITDA in the same fiscal year (corresponding to its taxable income before offset of carry forward tax losses and without taking into consideration net financial expenses and, to some extent, depreciation, provisions and capital gains/losses) generated by such entity (the "**30% Limitation**"). Such limitation applies to both related-party and third-party financings regardless of the purpose of these financings, subject to certain limited exceptions.

Furthermore, for entities being part of a group that files eligible consolidated financial statements, a safeguard clause has been implemented in order to partially exempt companies that are able to demonstrate that the ratio of their equity over their total assets is equal to or higher than the same ratio computed at the level of the accounting consolidated group to which they belong. In this specific case, net financial expenses exceeding the 30% Limitation are deductible up to 75% of their amount.

French thin-capitalization rules apply in respect of loans granted by related parties. Where the amount of the related party debt of a company exceeds a ratio equal to 1.5 time the company's equity, the deduction of net financial expenses borne by such entity is deductible for a portion of their amount up to the higher of (i) 30% of its adjusted EBITDA or (ii) €3 million, multiplied by a ratio equal to (A) the average amount of sums borrowed from or made available by non-related parties (directly or indirectly) within the meaning of Article 39.12 of the French Tax Code increased by 1.5 time the company's equity (assessed either at the beginning or at the closing date of the fiscal year) by (B) the average amount of all sums borrowed by or made available to the company during said year. The balance of net financial expenses is deductible for a portion of their amount up to the higher of (i) 10% of its adjusted EBITDA or (ii) €1 million multiplied by a ratio equal to (A) the average amount of sums borrowed from or made available by related parties (directly or indirectly) within the meaning of Article 39.12 of the French Tax Code exceeding 1.5 time the company's own funds (assessed either at the beginning or on the closing date of the fiscal year) by (B) the average amount of all sums borrowed by or made available to the company during said fiscal year. However, the interest deductibility limitation provided for by these amended thin-capitalization rules does not apply if the borrowing company demonstrates that the overall debt-to-equity ratio of the group, as determined under accounting consolidation rules, to which it belongs is higher than or equal to its own debt-to-equity ratio.

Financial expenses that are disallowed pursuant to the 30% Limitation can be carried forward indefinitely and deducted in the future under the same conditions. On the other hand, the portion of financial expenses which tax deduction is disallowed as a result of the application of the €1 million threshold or 10% limitation is only eligible for carry-forward for one-third of its amount. The unused interest deduction capacity of a current fiscal year may also be used over the five following fiscal years, but only against financial expenses incurred in respect of those fiscal years, it being noted that this measure is not available to thinly capitalized entities.

Specific rules apply to companies that belong to French tax consolidated groups, i.e., mainly (i) the 30% Limitation is computed on the basis of the consolidated adjusted EBITDA generated by such companies and (ii) the 1.5 debt-to-own funds ratio is analyzed (x) on a consolidated basis pursuant to French accounting rules applying for purposes of establishing consolidated financial statements and (y) in respect of loans granted by related parties within the meaning of Article 39.12 of the French Tax Code which do not belong to the same tax consolidated group.

These thin-capitalization rules could apply at the level of the Issuer (in respect of any loans contracted by the Issuer from any related party) and at level of the Issuer's French subsidiaries that do not belong to the same French tax consolidated group as the Issuer with respect to any amount of the proceeds of the Notes used by the Issuer to grant intragroup loans to such subsidiaries as well as, more generally, in respect of any loans contracted by the Issuer's French subsidiaries from any related party.

Finally, the French Finance Law for 2020 included specific provisions which implement into French tax legislation the provisions of the ATAD II in relation to hybrid mismatches with third countries, which are applicable as from January 1, 2020, except for certain of its provisions which will be applicable as from January 1, 2022.

In relation to such implementation, the provisions of Article 212-1-(b) of the French Tax Code (i.e., the former French anti-hybrid provisions) have been repealed.

Articles 205 B et seq. of the French Tax Code implementing ATAD II provide limitations on interest deductions in the event of (i) a deduction of a payment at the level of a paying entity without a corresponding inclusion of such payment in the taxable income of the receiving entity (referred to as a "deduction without inclusion") or (ii) a deduction of the same payment, operational expenses or losses in the taxable income of both the paying and receiving entity (referred to as a "double deduction"). Such limitations only apply to payments taking place between "associated enterprises," except for the so-called "structured arrangements" (i.e., an arrangement pricing the relevant mismatch or an arrangement designed to produce the mismatch, subject to certain conditions). If the hybrid mismatch results in a deduction without inclusion, the deduction from taxable income will generally be denied to the French paying entity. Alternatively, the payment to a French receiving entity will be included in its taxable income if deduction is not denied in the jurisdiction of the paying entity. If the hybrid mismatch results in a double deduction, the deduction will either be denied at the level of the receiving entity or at the level of the paying entity.

In respect of fiscal years opened as from January 1, 2022, these provisions also cover reverse hybrid entities, referring to situations where an entity is deemed to be tax transparent by the Member State in which it is incorporated or established and the jurisdiction or jurisdictions in which its "associated enterprises" (i.e., entities holding directly or indirectly in aggregate of more an interest in 50% or more of its voting rights, capital interests or rights to share profit) are established, qualify the entity as non-transparent. Where such an hybrid entity is incorporated or established in France, its income is, as the case may be, either subject to French corporate income tax at its own level or taxable pursuant to Article 8 of the French Tax Code at the level of its partners or shareholders, to the extent that it is not taxed in another State.

The above-mentioned tax rules may limit our ability to deduct interest accrued on our indebtedness incurred in France and, as a consequence, may thus increase our tax burden, which could adversely affect our business, financial condition and results of operations, and reduce the cash flow available to service our indebtedness.

Risks Related to the Notes and the Guarantees

The claims of the holders of the Notes will be effectively subordinated to the rights of our future secured creditors to the extent of the value of the assets securing such indebtedness.

The Notes will not be secured by any assets of the Group. The Indenture will provide for a negative pledge but will allow us and our restricted subsidiaries, subject to specified limitations, to incur secured indebtedness that will be effectively senior to the Notes to the extent of the value of the assets that secure that indebtedness. In the event of any distribution or payment of our assets in any foreclosure, dissolution, winding-up, liquidation, administration, reorganization, or other insolvency or bankruptcy proceeding, the proceeds from the sale of assets securing any secured indebtedness will be available to pay obligations on the Notes only after all such secured indebtedness (including claims preferred by operation of law) has been paid in full. As a result, holders of Notes may receive less, ratably, than holders of secured indebtedness. As of the Issue Date, we had no secured indebtedness outstanding other than our receivables securitization program. See "*Description of Certain Financing Arrangements—Receivables securitization program*."

In addition, the Indenture will permit Liens on property or assets to enable the Issuer or one of our restricted subsidiaries to create liens up to a certain amount, and subject to a number of exceptions.

The Notes will be structurally subordinated to the obligations of the Issuer's non-Guarantor subsidiaries.

The Notes will be guaranteed by the Guarantors as of the Issue Date and Post Issue Date (as applicable). You will therefore not have any direct claim on the cash flows or assets of the Issuer's subsidiaries not guaranteeing the Notes and the Issuer's non-guarantor subsidiaries will have no obligation, contingent or otherwise, to pay amounts due under the Notes, or to make funds available to the Issuer for those payments. Generally, claims of creditors, including lenders and trade creditors, and claims of preference shareholders (if any), will have priority with respect to the assets and earnings over the claims of a company's ordinary shareholders, including the claims of its parent entity. Accordingly, claims of creditors and preference shareholders of the Issuer's subsidiaries will also generally have priority over the claims of creditors of its parent entity. In the event of any foreclosure, dissolution, winding-up, liquidation, reorganization, administration or other bankruptcy or insolvency proceedings of any of the Issuer's non-guarantor subsidiaries, holders of their debt and their trade creditors will generally be entitled to payment of their claims from the assets of those subsidiaries before any assets are made available for distribution to the Issuer. As such, the Notes will be structurally subordinated to the claims of creditors (including lenders and trade creditors) and preference shareholders (if any) of the Issuer's non-guarantor subsidiaries. While the Issuer's non-guarantor subsidiaries will be required, if they guarantee certain types of debt, also to guarantee the Notes, such non-guarantor subsidiaries will also be permitted under the Indenture to incur or guarantee some debt without providing such guarantees, and any such future debt will also be structurally senior to the Notes.

As of March 31, 2021, the Issuer's subsidiaries other than the Guarantors would not have had any indebtedness outstanding other than certain finance leases at certain French non-Guarantor subsidiaries.

The Issuer and the Issue Date Guarantor are holding companies dependent upon cash flows from the operating companies of our Group to meet our obligations on the Notes or the relevant Guarantee.

The Issuer and the Issue Date Guarantor are holding companies that conduct no business operations of their own and have no significant assets other than the equity interests and/or the intercompany receivables they hold in each of their subsidiaries. The Issuer and the Issue Date Guarantor are dependent upon the cash flow from their operating subsidiaries available to them, by dividend, interest payments on intercompany loans or other distributions to meet their obligations, including under the Notes or the relevant Guarantee. The amounts of such payments, dividends and other distributions available to the Issuer and such Issue Date Guarantor will depend on the profitability and cash flows of their respective subsidiaries as well as the ability of those subsidiaries to declare dividends under applicable law. The subsidiaries of the Issuer and the Issue Date Guarantor, however, may not be able to, or may not be permitted under applicable law to, make distributions, make interest payments on, or otherwise advance upstream loans to the Issuer or the Issue Date Guarantor to make payments in respect of their debt, including the Notes and such Guarantee. While the Indenture limits the ability of our subsidiaries to incur contractual restrictions on their ability to pay dividends or make other intercompany payments to us, these limitations are subject to certain significant qualifications and exceptions. We cannot assure you that arrangements with our subsidiaries, the funding permitted by the agreements governing existing and future indebtedness of our subsidiaries and our results of operations and cash flow generally will provide us and the Issue Date Guarantor with sufficient dividends, distributions or loans to fund payments on the Notes or such Guarantee. In the event that we do not receive distributions or other payments from our subsidiaries, we may be unable to make required principal and interest payments on the Notes.

The Guarantees may be limited by applicable laws or subject to certain limitations or defenses that may adversely affect their validity and enforceability.

The Guarantees may be limited by applicable laws or subject to certain limitations or defenses that may adversely affect their validity and enforceability.

The obligations of the Guarantors and the enforcement of each of their Guarantees will be limited to the maximum amount that can be guaranteed by such entities under applicable law, including a limitation to the extent that the grant of such guarantee is not in the entity's corporate interests, or otherwise would result in violations of laws related to corporate benefit, capitalization, capital preservation, financial assistance or transactions under value.

Accordingly, enforcement of a Guarantee against the relevant grantor would be subject to certain defenses available to guarantors generally or, in some cases, to limitations contained in the terms of the Guarantees designed to ensure compliance with statutory requirements applicable to the relevant Guarantors. These laws and defenses include those that relate to fraudulent conveyances or transfers, insolvency, voidable preferences, financial assistance, corporate purpose or benefit, preservation of share capital, thin capitalization and defenses affecting the rights of creditors generally. As a result, a Guarantor's liability under its Guarantee could be materially reduced or eliminated, depending on the law applicable to it.

It is possible that a Guarantor, or a creditor thereof, or the bankruptcy trustee in the case of a bankruptcy of such entity, may contest the validity and enforceability of a Guarantee on any of the aforementioned grounds and that the applicable court may determine that a Guarantee should be limited or voided. To the extent such limitations on guarantees apply, the Notes would be effectively subordinated to all liabilities of the applicable Guarantor, including trade payables of such entity to the extent of such limitations. Future guarantees may be subject to similar limitations.

France. French law requires that, when a French company grants a guarantee of third-party obligations, the guarantee must be in the corporate purpose and corporate interest of the guarantor company. The existence of a real and adequate benefit to the guarantor is a matter of fact as to which French case law provides no clear guidance. The liabilities of a French company under a guarantee must also not be in breach of French financial assistance rules. The liabilities and obligations of Guarantors organized under the laws of France under the applicable Guarantee are therefore subject to (i) certain exceptions, including the exclusion of any obligations which, if incurred, would constitute the provision of financial assistance within the meaning of Article L.225-216 of the French *Code de Commerce*, which prohibits a company from guaranteeing indebtedness of another company that is used, directly or indirectly, for the purpose of the acquisition or the subscription of its own shares and/or a misuse of corporate assets or of credit within the meaning of Articles L.241-3, L. 242-6 or L. 244-1 of the French *Code de Commerce*; and (ii) a financial limitation corresponding to an amount equal to the proceeds from the issue of the Notes which the Issuer has applied for the direct or indirect benefit of the relevant Guarantor and/or to the controlled subsidiaries of that Guarantor (within the meaning of article L.233-3 of the French *Code de Commerce*) through intercompany loans and cash pooling arrangements (if any) that are outstanding and owed by such Guarantor (or any of its controlled subsidiaries) on the date a payment is requested to be made by the Guarantor. By virtue of this limitation, a Guarantor's obligations under its Guarantee could be significantly less than amounts payable with respect to the Notes.

Italy. An Italian company entering into a transaction (including granting a guarantee) must receive a real and adequate benefit in exchange for the guarantee or the security interest being provided by such company. The concept of real and adequate benefit is not defined in the applicable legislation and it is assessed and determined by a factual analysis on a case by case basis and its existence is purely a business decision to the directors and the statutory auditors, if any. As a general rule, corporate benefit is to be assessed at the level of the relevant company on a stand-alone basis, although upon certain circumstances and subject to specific rules the interest of the group to which such company belongs may also be taken into consideration including in case of up-stream, downstream and cross-stream guarantees for the financial obligations of group companies. The general rule is that the risk assumed by an Italian grantor of such guarantee must not be disproportionate to the direct or indirect economic benefit to it. The absence of a real and adequate benefit could render the transaction (including the granting of a guarantee granted by an Italian company) *ultra vires* and potentially affected by a conflict of interest.

Spain. Unlike other jurisdictions, there is no concept of "corporate benefit" expressly regulated under the Spanish Companies Act or any other piece of legislation, However, Spanish lower courts, particularly Spanish commercial courts (*Juzgados de lo Mercantil*) ruling on insolvency matters, are declaring null or rescinding upstream guarantees by applying the rebuttable presumption of actions detrimental to the estate of an affiliate granting guarantees in favor of the liabilities incurred by a parent company, when the obligations guaranteed do not provide for a direct benefit to the Spanish company granting such guarantee. Certain decisions by the Spanish Supreme Court are ruling in favor of the validity and enforceability of such guarantees to the extent evidence can be given that amounts can be borrowed directly by the company granting the guarantee or indirectly on-lent or otherwise made available to such company, also taking into account any indirect benefits deriving from the enhancement of the financial position of the group of companies to which such company belongs. However, it cannot be conclusively ensured that further proof of the actual existence of benefits and compensatory advantages would need to be delivered to court, to the insolvency administrator and/or the insolvency court in the event of an insolvency.

For a more detailed description of various limitations on the guarantees under French, Italian, Spanish and English law and certain French, Italian, Spanish and English insolvency law considerations, see "*Limitations on Validity and Enforceability of the Guarantees and Certain Insolvency Law Considerations*."

Enforcement of the Notes and the Guarantees across multiple jurisdictions may be difficult.

The Issuer is organized under the laws of France and the Guarantors are incorporated or organized (as applicable) under the laws of France, Italy, Spain and England. In the event of bankruptcy, insolvency or a similar event, proceedings could be initiated in any of these jurisdictions and in the jurisdiction of incorporation or organization of a future Guarantor. Your rights under the Notes and the Guarantees will thus be subject to the laws of a number of jurisdictions, and it may be difficult to effectively enforce such rights in multiple bankruptcy, insolvency and other similar proceedings. Moreover, such multijurisdictional proceedings are typically complex and costly for creditors and often result in substantial uncertainty and delay in the enforcement of creditors' rights.

The bankruptcy, insolvency, administration and other laws of the France and the jurisdiction of organization or incorporation of each of the Guarantors may be materially different from, or conflict with, each other and with the laws of the United States, including in the areas of creditors' rights, priority of creditors, the ability to obtain post-petition interest and the duration of the insolvency proceeding. The application of these various laws in multiple jurisdictions could trigger disputes over which jurisdictions' law should apply and could adversely affect your ability to realize any recovery under the Notes and the Guarantees. See "*Limitations on Validity and Enforceability of the Guarantees and Certain Insolvency Law Considerations*."

There are circumstances other than repayment or discharge of the Notes under which the Guarantees will be released without your consent or the consent of the Trustee.

The Indenture will, subject to specified limitations, permit our non-Guarantor subsidiaries to incur additional indebtedness and will not contain any limitation on the amount of other liabilities, such as trade payables, which they may incur. In addition, under certain circumstances, the Guarantee of a Guarantor may be released automatically (see "*Description of the Notes—Limitations on Guarantees of Debt*"), including, without limitation:

- upon the sale or disposition (including through merger, consolidation, amalgamation or other combination) or conveyance, transfer or lease of the Capital Stock (as that term is defined "*Description of the Notes*"), or all or substantially all of the assets, of that Guarantor to a person that is not (either before or after giving effect to the transaction) the Issuer or a Restricted Subsidiary (as that term is defined "*Description of the Notes*"), if the sale or other disposition does not violate the Indenture;

- in connection with any sale or other disposition of the Capital Stock of that Guarantor (or Capital Stock of any holding company of such Guarantor (other than the Issuer)) (whether by direct sale or through a holding company) to a person that is not (either before or after giving effect to such transaction) the Issuer or a Restricted Subsidiary, if the sale or other disposition does not violate the Indenture and as a result of such disposition such Guarantor no longer qualifies as a Subsidiary of the Issuer;

- upon a defeasance or satisfaction and discharge of the Indenture;

- upon the designation by the Issuer of the Guarantor (or a holding company thereof) as an Unrestricted Subsidiary (as that term is defined "*Description of the Notes*") in compliance with the terms of the Indenture;

- upon the liquidation or dissolution of the Guarantor; *provided* that no default or event of default has occurred and is continuing;

- upon repayment in full of the Notes;
- the implementation of a Permitted Reorganization (as that term is defined "*Description of the Notes*");
- in the case of any Restricted Subsidiary that after the Issue Date is required to guarantee the Notes pursuant to the covenant described under "*Description of the Notes—Limitations on Guarantees of Debt*," the release or discharge of the guarantee by such Restricted Subsidiary which resulted in the obligation to guarantee the Notes;
- as described under "*Description of the Notes—Amendments and Waivers*"; or
- as a result of a transaction permitted by "*Description of the Notes—Certain Covenants—Merger and Consolidation*."

We may be unable to raise funds necessary to finance repurchase offers as required upon a Change of Control.

If the Group experiences a Change of Control (as defined under "*Description of Notes—Change of Control*"), it will be required to make an offer to purchase all of the outstanding Notes at a price equal to 101% of the outstanding principal amount thereof plus accrued and unpaid interest, if any, to the date of purchase. The occurrence of specified events that would constitute a change of control would also require early repayment of the New Term Loan and any drawings under the Revolving Credit Facility. In addition, a failure by the Issuer to purchase the Notes after a change of control in accordance with the terms of the Indenture would result in a default under the New Term Loan and the Revolving Credit Facility and may cause such a default under the Group's other indebtedness.

If a Change of Control were to occur, the Issuer cannot assure you that the restrictions in the Senior Facilities Agreement or other contractual obligations would allow it to make such required repurchases. If an event constituting a Change of Control occurs at a time when the Issuer is prohibited from repurchasing Notes, the Issuer will need to seek the consent of the lenders under such indebtedness to purchase the Notes, or to attempt to repay or offer to repay the borrowings that contain such prohibition. If the Issuer does not obtain such a consent or repay such borrowings, the Issuer will remain prohibited from repurchasing any tendered Notes, which will be an event of default under the Notes. In addition, the Issuer may not have the resources to finance the redemption of the Notes and an early repayment of the New Term Loan required by a Change of Control, and currently the Issuer expects that it would require third party financing to make an offer to repurchase the Notes upon a Change of Control. The Issuer cannot give any assurances that it would be able to obtain such financing.

The change of control provision in the Indenture may not necessarily afford investors protection in the event of certain important corporate events, including a reorganization, restructuring, merger or other similar transaction involving the Group that may adversely affect holders of Notes, because such corporate events may not involve a shift in voting power or beneficial ownership or, even if they do, may not constitute a "change of control" as defined in the Indenture governing the Notes. See "*Description of the Notes—Certain Covenants—Change of Control*."

Local insolvency laws may not be as favorable to you as the laws of another jurisdiction with which you are familiar.

The Issuer is organized under the laws of France and the Guarantors are organized under the laws of France, Italy, Spain and England. The bankruptcy, insolvency, administrative and other laws of France, Italy, Spain and England may not be as favorable to your interests as the laws of the United States or other jurisdictions with which you are familiar. The application of these laws could call into question whether any particular jurisdiction's laws should apply, adversely affect your ability to enforce your rights against the Guarantors and limit any amounts that you may receive. In addition, in the event that any non-U.S. guarantor becomes insolvent, liquidates, reorganizes, dissolves or otherwise winds up, the assets of such Guarantors may be subject to local insolvency laws which may be materially different from, or in conflict with, U.S. bankruptcy laws. For an overview of certain insolvency laws and enforceability issues as they relate to the Issuer and the Guarantors, see "*Limitations on Validity and Enforceability of the Guarantees and Certain Insolvency Law Considerations*."

Fraudulent conveyance and similar laws may adversely affect the validity and enforceability of the Guarantees.

Although laws differ among various jurisdictions, in general, under fraudulent conveyance laws, a court could void or subordinate the claims under the Guarantees to other claims against any Guarantor if it was determined that any Guarantor:

- granted the Guarantees with actual intent to hinder, delay or defraud creditors or shareholders;
- received less than reasonably equivalent value or fair consideration for granting the Guarantees, and, at the time thereof was insolvent or rendered insolvent by reason of granting the Guarantees;
- was engaged or about to engage in a business or a transaction for which remaining assets available to carry on business constituted unreasonably small capital;
- intended to incur, or believed that the issuer would incur, debts beyond the ability to pay the debts as they mature; or
- was a defendant in an action for money damages, or had a judgment for money damages rendered against it if, in either case, after final judgment, the judgment is unsatisfied.

The measures of insolvency for the purposes of fraudulent transfer laws vary depending upon the law applied in any proceedings to determine whether a fraudulent transfer has occurred. Generally, however, an entity would be considered insolvent if, at the time it incurred the debt:

- the sum of its debts, including contingent liabilities, was greater than the fair saleable value of its assets;
- the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or
- it cannot pay its debts as they become due.

We cannot be sure as to what standard a court would apply in making a solvency determination or that a court would conclude that any Guarantor was solvent after the granting of Guarantees. Regardless of the standard that the court uses, we cannot be sure that the granting of the Guarantees would not be voided or subordinated to our other debt. See "*Limitations on Validity and Enforceability of the Guarantees and Certain Insolvency Law Considerations*" for further information.

You may face currency exchange risks by investing in the Notes.

The Notes are denominated and payable in euros. If you measure your investment returns by reference to a currency other than euros, investment in such Notes entails foreign currency exchange- related risks due to, among other factors, possible significant changes in the value of the euro, relative to the currency you use to measure your investment returns, caused by economic, political and other factors which affect exchange rates and over which we have no control. Depreciation of the euro, against the currency in which you measure your investment returns would cause a decrease in the effective yield of the Notes below their stated coupon rates and could result in a loss to you when the return on the Notes is translated into the currency in which you measure your investment returns. There may be tax consequences for you as a result of any foreign currency exchange gains or losses resulting from your investment in the Notes. You should consult your tax advisor concerning the tax consequences to you of acquiring, holding and disposing of the Notes.

Potential purchasers and sellers of the Notes may be subject to the payment of certain other taxes.

Potential purchasers and sellers of the Notes should be aware that they may be required to pay other taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for financial instruments such as the Notes. Potential investors are advised not to rely upon the tax summary contained in this offering memorandum but to consult their own tax advisor as to their individual taxation with respect to the acquisition, holding and disposition of the Notes. Only these advisors are in a position to duly consider the specific situation of the potential investor. The investment consideration in the Notes has to be read in connection with the taxation section of this Offering Memorandum.

There currently exists no market for the Notes, and we cannot assure you that such an active trading market for the Notes will develop.

The Notes will be new securities for which there currently is no market. Application has been made to list the Notes on the Official List of the Luxembourg Stock Exchange and to admit such Notes for trading on the Euro MTF Market. However, there is a risk that no liquid secondary market for the Notes will develop or, if it does develop, that it will not continue. The fact that the Notes may be listed does not necessarily lead to greater liquidity as compared to unlisted Notes. In an illiquid market, an investor is subject to the risk that he will not be able to sell his Notes at any time at fair market prices or even at all.

The liquidity of any market for the Notes will depend on the number of holders of such Notes, prevailing interest rates, the market for similar securities and other factors, including general economic conditions and the Group's financial condition, results of operations and prospects, as well as recommendations of securities analysts. Historically, the market for non-investment grade securities has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the Notes. The liquidity of a trading market for the Notes may be adversely affected by a general decline in the market for similar securities and is subject to disruptions that may cause volatility in prices. It is possible that the markets for the Notes will be subject to disruptions. Any such disruption may have a negative effect on investors in the Notes, regardless of the Group's financial condition, results of operations and prospects.

The market value of the Notes could decrease if the creditworthiness of the Group worsens.

If, for example, because of the materialization of any of the risks regarding the Group, the likelihood that the Issuer will be in a position to fully perform all obligations under the Notes when they fall due decreases, the market value of the Notes will suffer. In addition, even if the likelihood that the Issuer will be in position to fully perform all obligations under the Notes when they fall due actually has not decreased, market participants could nevertheless have a different perception. In addition, the market participants' estimation of the creditworthiness of corporate debtors in general or debtors operating in the same business the Issuer could adversely change.

If any of these risks occurs, third parties would only be willing to purchase Notes for a lower price than before the materialization of these risks. Under these circumstances, the market value of the Notes will decrease.

There is no visibility on the trading price for the Notes.

The development of market prices of the Notes depends on various factors, such as changes in market interest rate levels, the policies of central banks, overall economic developments, inflation rates and the level of demand for the Notes and for high yield securities generally, as well as our financial condition, results of operations and prospects. The Notes may thus trade at prices that are lower than their initial purchase price. The holders are therefore exposed to the risk of an unfavorable development of market prices of their Notes which materialize if the holders sell the Notes prior to the final maturity.

Since the Notes have a fixed interest rate, their market price may drop as a result of increases in market interest rates.

The Notes bear a fixed interest rate. A holder of fixed rate notes is particularly exposed to the risk that the price of such notes falls as a result of changes in the market interest rate. While the nominal interest rate is fixed during the life of the Notes, the market interest rate typically changes on a daily basis. As the market interest rate changes, the price of fixed rate notes also changes, but in the opposite direction. Thus, if the market interest rate increases, the price of fixed rate notes typically falls, until the yield of such notes is approximately equal to the market interest rate of comparable issues. If the market interest rate decreases, the price of fixed rate notes typically increases, until the yield of such notes is approximately equal to the market interest rate of comparable issues. If a holder of the Notes holds his Notes until maturity, changes in the market interest rate are without relevance to such holder as the Notes will be redeemed at their principal amount.

Definitive notes, if any, may not be delivered with respect to Notes that have a denomination that is not an integral multiple of €100,000.

The Notes will have denominations consisting of a minimum of €100,000 plus one or more higher integral multiples of €1,000, respectively. It is possible that the Notes may be traded in amounts that are not integral multiples of €100,000. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than €100,000, in his account with the relevant clearing system at the relevant time may not receive a definitive Note, in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to €100,000.

If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of €100,000, may be illiquid and difficult to trade.

The transfer of the Notes is restricted, which may adversely affect their liquidity and the price at which they may be sold.

The Notes have not been and will not be registered under the U.S. Securities Act or the securities laws of any jurisdiction. Accordingly, the Notes may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and all other applicable laws. These restrictions may limit the ability of investors to resell the Notes. It is the obligation of investors in the Notes to ensure that all offers and sales of the Notes within the United States and other countries comply with applicable securities laws. We have not agreed to or otherwise undertaken to register the Notes under the U.S. Securities Act (including by way of an exchange offer), and we do not have any intention to do so. See "*Transfer Restrictions*."

Your rights as a noteholder will be limited so long as ownership in the Notes is evidenced by book-entry interests.

Owners of the book-entry interests will not be considered owners or holders of Notes unless and until definitive notes are issued in exchange for book-entry interests. Instead, Euroclear and Clearstream or their nominee in respect of the Notes will be the registered holder of Notes.

After payment to the registered holder, we will have no responsibility or liability for the payment of interest, principal or other amounts to the owners of book-entry interests. Accordingly, if you own a book-entry interest, you must rely on the procedures of Euroclear and Clearstream, and if you are not a participant in Euroclear and Clearstream, on the procedures of the participants through which you own your interest, to exercise any rights and obligations of a holder under the indenture governing the Notes. See "*Book-Entry, Delivery and Form*."

Owners of book-entry interests will not have the direct right to act upon our solicitations for consents or requests for waivers or other actions for holders of the Notes. Instead, you may be entitled to act only to the extent you have received appropriate proxies to do so from the Clearing System or, if applicable, from a participant. We cannot assure you that procedures implemented for the granting of such proxies will be sufficient to enable you to vote on any requested actions on a timely basis.

Credit ratings may not reflect all risks, are not recommendations to buy or hold securities and may be subject to revision, suspension or withdrawal at any time.

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed herein and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal by the rating agency at any time. No assurance can be given that a credit rating will remain constant for any given period of time or that a credit rating will not be lowered or withdrawn entirely by the credit rating agency if, in its judgment, circumstances in the future so warrant. A suspension, reduction or withdrawal at any time of the credit rating assigned to the relevant Notes by one or more of the credit rating agencies may adversely affect the cost and terms and conditions of our financing and could adversely affect the value and trading of such Notes.

You may be unable to recover in civil proceedings for U.S. securities laws violations.

The Issuer and the Guarantors are organized under the laws of France, Italy, Spain and England. Most of the members of the Issuer's and the Guarantors' management are non-residents of the United States and substantially all their assets are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon the Issuer, the Guarantors or the members of their management, or to enforce against the Issuer, the Guarantors or their officers and directors judgments obtained in U.S. courts predicated upon civil liability provisions of the U.S. securities laws. See "*Service of Process and Enforcement of Judgments*."

Certain covenants may be suspended upon the occurrence of a change in our ratings.

The Indenture will provide that, if at any time following the date of the Indenture, the Notes receive two out of the three ratings: a rating of BBB- or better from S&P Global Ratings ("**S&P**"), a rating of Baa3 or better from Moody's Investors Service ("**Moody's**") and/or a rating of "BBB-" or higher from Fitch Ratings Inc. ("**Fitch**"), and no default or event of default has occurred and is continuing, then beginning that day and continuing until such time that the Notes receive such a rating, certain covenants will cease to be applicable to the Notes. See "*Description of the Notes—Certain Covenants—Suspension of Covenants on Achievement of Investment Grade Status*." If these covenants were to cease to be applicable, we would be able to incur additional indebtedness or make payments, including dividends or investments, which may conflict with the interests of holders of the Notes. There can be no assurance that the Notes will ever achieve an investment grade rating or that any such rating will be maintained.

The Notes may not become, or remain, listed on the Luxembourg Stock Exchange.

Although the Issuer has made an application for the Notes to be admitted to the Official List of the Luxembourg Stock Exchange and admitted to trading on its Euro MTF Market and to maintain such listing as long as the Notes are outstanding, the Issuer cannot assure you that the Notes will become or remain listed. If the Issuer cannot maintain the listing on the Official List of the Luxembourg Stock Exchange and the admission to trading on the Euro MTF Market or it determines that it will not maintain such listing, the Issuer may cease to make or maintain such listing on the Official List of the Luxembourg Stock Exchange, provided that it will use its commercially reasonable efforts to obtain and maintain the listing of the Notes on another recognized stock exchange, although there can be no assurance that the Issuer will be able to do so. Although no assurance is made as to the liquidity of the Notes as a result of listing on the Official List of the Luxembourg Stock Exchange or another recognized listing exchange for comparable issuers in accordance with the Indenture, failure to be approved for listing or the delisting of the Notes from the Official List of the Luxembourg Stock Exchange or another listing exchange in accordance with the Indenture may have a material adverse effect on a holder's ability to resell Notes in the secondary market.

USE OF PROCEEDS

The aggregate principal amount of the Notes will be €550.0 million. The Issuer will use the gross proceeds from the Offering, along with drawing under the New Term Loan, (i) to repay its existing term loan, (ii) for general corporate purposes and (iii) to pay the costs, fees and expenses in relation to the Offering, including underwriting commissions with respect to the Notes as well as fees for legal, accounting, printing, ratings advisory and other professional services.

The table below sets forth our expected sources and uses of funds in connection with the Offering as of the estimated Issue Date.

Actual amounts may vary from estimated amounts depending on several factors, including the Issue Date, as well as the differences between estimated and actual fees and expenses.

Sources of Funds	**Amount**	**Uses of Funds**	**Amount**
	(million €)		**(million €)**
Notes offered hereby[(1)]	550	Repay existing term loan	530
New Term Loan	100	General corporate purposes	105
		Estimated fees and expenses[(2)]....	15
Total Sources	650	**Total Uses**..................................	650

(1) Represents the gross proceeds from the Offering.

(2) Represents the estimated fees and expenses associated with the Offering and our new senior bank debt, including Initial Purchasers' fees, legal and accounting expenses and other transaction costs and also includes accrued interest on indebtedness repaid in connection with the Offering. Certain Initial Purchasers or their affiliates are agents and/or lenders under certain of the Group's existing term loan, indebtedness under which the Issuer intends to repay with the net proceeds of the offering of the Notes, and such Initial Purchasers will have reduced exposure as a result.

CAPITALIZATION

The following table sets forth the cash and the consolidated capitalization of the Issuer as of March 31, 2021 on an actual basis and *pro forma* basis to give effect to the Offering as if the Offering had occurred on March 31, 2021.

The financial information in the actual column has been derived from our Interim Consolidated Financial Statements as of and for the six months ended March 31, 2021 incorporated by reference into this Offering Memorandum.

The table below should be read in conjunction with "*Summary Historical Consolidated Financial Information and Other Data*," "*Use of Proceeds*," "*Management's Discussion and Analysis of Financial Condition and Results of Operations*," "*Description of Certain Financing Arrangements*," "*Description of the Notes,*" and our Consolidated Financial Statements incorporated by reference into this Offering Memorandum.

	As of March 31, 2021	
	Actual	**As Adjusted[(1)]**
	(million €)	
Cash and cash equivalents	**32**	**137**
Existing term loan[(1)]	530	-
PGE[(2)]	225	225
New Term Loan[(3)]	-	100
Notes offered hereby[(4)]	-	550
Receivables securitization programs[(5)]	45	45
Lease liabilities	261	261
Other indebtedness[(8)]	7	7
Total debt	**1,069**	**1,189**
Total equity[(6)]	**1,085**	**1,085**
Total capitalization[(7)]	**2,154**	**2,274**

(1) The actual column represents the principal amount of the existing term loan as of March 31, 2021.

(2) The actual column represents the principal amount of the PGE as of March 31, 2021. See "*Description of Certain Financing Arrangements—PGE*" for a description of our government-back loan that will remain outstanding following the Offering.

(3) See "*Description of Certain Financing Arrangements—New Term Loan and Revolving Credit Facility*" for a description of our new senior term loan that will be incurred on or about the Issue Date. The Revolving Credit Facility is not indicated above because we expect it to be undrawn as of the Issue Date.

(4) Represents the aggregate principal amount of the Notes offered hereby. This figure does not reflect estimated unamortized costs of the Offering.

(5) See "*Description of Certain Financing Arrangements—Receivables securitization programs*" for a description of our receivables financing and related committed purchase facility that will remain available following the Offering.

(6) This figure does not reflect the effect on shareholders' equity of unamortized transactions costs extinguished in connection with the refinancing contemplated by the use of proceeds from the Offering.

(7) Total capitalization is defined as the sum of total debt and total equity.

(8) Includes adjustments to measure financial liabilities at amortized cost.

SELECTED HISTORICAL FINANCIAL INFORMATION

Overview

The following tables present selected historical consolidated financial information and other data for the Issuer, as of and for each of the years ended September 30, 2020, 2019 and 2018 and as of for the six months ended March 31, 2021 and 2020. The selected historical financial information presented in the tables below has been derived from the consolidated financial statements of the Issuer, which are incorporated by reference into this Offering Memorandum.

This section should be read in conjunction with the financial statement included in or incorporated by reference to this Offering Memorandum as well as the disclosures provided under "*Presentation of Financial and Other Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*."

Changes in Accounting Standards and Accounting Policies

On October 1, 2019, we adopted IFRS 16 (Leases). The main impact of the new standard for lessors is IFRS 16 removes the distinction between operating leases and finance leases. In accordance with the IFRS 16 transition provisions, we applied the modified retrospective approach and have therefore not restated prior-period comparative figures. The first time adoption of the new standard has no impact on equity. As a result, the financial information presented in the tables below as of and for the years ended September 30, 2018 and 2019 do not reflect the application of IFRS 16. For more information, see "*Presentation of Financial and Other Information—Application of IFRS 16 (Leases)*" and Note 6.1.3 to our 2020 consolidated financial statements incorporated by reference into this Offering Memorandum.

Consolidated Income Statement Data

	For the year ended September 30,			For the six months ended March 31,	
	2018 (restated)(1)	2019 (audited)	2020 (audited)	2020 (unaudited)	2021 (unaudited)
			(in € millions)		
Revenue	**4,886**	**4,923**	**3,967**	**2,459**	**1,869**
Purchase of raw materials and consumables	(1,557)	(1,557)	(1,287)	(797)	(578)
Personnel costs	(2,390)	(2,436)	(2,077)	(1,232)	(1,003)
Share-based compensation expense	(29)	5	-	(2)	-
Other operating expenses	(564)	(561)	(420)	(250)	(195)
Taxes other than on income	(74)	(71)	(71)	(43)	(36)
Depreciation, amortization and provisions for recurring operating items	(125)	(122)	(178)	(84)	(81)
Net amortization of intangible assets recognized on consolidation	(19)	(21)	(20)	(10)	(9)
Recurring operating profit/(loss) from continuing operations	**128**	**160**	**(86)**	**41**	**(33)**
Share of profit of equity-accounted investees	(1)	-	(3)	(1)	(1)
Recurring operating profit/(loss) including share of profit of equity-accounted investees	**127**	**160**	**(89)**	**40**	**(34)**
Non-recurring income and expenses, net	(82)	(27)	(240)	(6)	(3)
Operating profit/(loss) including share of profit of equity- accounted investees	**45**	**133**	**(329)**	**34**	**(37)**
Financial expenses	(81)	(89)	(45)	(20)	(26)

	For the year ended September 30,			For the six months ended March 31,	
	2018 (restated)(*)	2019 (audited)	2020 (audited)	2020 (unaudited)	2021 (unaudited)
			(in € millions)		
Financial income	13	20	7	3	6
Profit/(loss) from continuing operations before income tax	**(23)**	**64**	**(367)**	**17**	**(57)**
Income tax	(2)	4	(83)	(15)	4
Net profit/(loss) for the period from continued operations	(25)	68	(450)	2	(53)
Net profit/(loss) for the period from discontinued operations	63	202	(37)	(20)	(3)
Net profit of the period	**38**	**270**	**(487)**	**(18)**	**(56)**
Attributable to:					
Owners of the parent	34	271	(483)	(17)	(53)
Non-controlling interests	4	(1)	(4)	(1)	(3)

(*) The data for the year ended September 30, 2018 has been restated for the Areas Sale. See "*Presentation of Financial Information and Other Data—Sale of the Concession Catering business.*"

Consolidated Statement of Financial Position Data

	As of September 30,			As of March 31
	2018 (restated)	2019 (audited)	2020 (audited)	2021 (unaudited)
		(in € millions)		
Goodwill	2,541	1,851	1,719	1,720
Intangible assets	524	262	221	210
Property, plant and equipment	747	392	314	295
Right-of-use assets	-	-	238	248
Other non-current assets	-	8	6	4
Non-current financial assets	72	104	111	111
Equity-accounted investees	9	1	-	-
Fair value of derivative financial instruments	8	-	-	-
Deferred tax assets	189	162	74	82
Total non-current assets	**4,090**	**2,780**	**2,683**	**2,670**
Inventories	132	94	102	92
Trade and other receivables	879	675	625	583
Contract assets	-	-	-	-
Current income tax assets	23	32	14	10
Other current assets	97	47	54	58
Short-term financial receivables	2	-	3	4
Cash and cash equivalents	143	83	41	32
Assets classified as held for sale	-	10	17	23
Total current assets	**1,276**	**941**	**856**	**802**
Total assets	**5,366**	**3,721**	**3,539**	**3,472**
Share capital	2	2	2	2
Reserves and retained earnings	1,458	1,662	1,152	1,106
Translation reserve	-	4	(19)	(23)
Non-controlling interests	11	2	(3)	(5)
Total equity	**1,471**	**1,670**	**1,132**	**1,080**
Long-term debt	1,874	602	781	803
Long-term lease liabilities	-	-	192	201
Fair value of derivative financial instruments	5	9	6	3
Non-current liabilities relating to share acquisitions	100	70	18	14

	As of September 30,			As of March 31
	2018 (restated)	2019 (audited)	2020 (audited)	2021 (unaudited)
	(in € millions)			
Deferred tax liabilities	59	13	-	-
Provisions for pension and other post-employment benefit obligations	109	104	96	91
Other long-term provisions	20	15	23	24
Other non-current liabilities	6	-	-	-
Total non-current liabilities	**2,173**	**813**	**1,116**	**1,136**
Trade and other payables	850	550	448	486
Due to suppliers of non-current assets	75	15	11	11
Accrued taxes and payroll costs	601	476	536	484
Current income tax liabilities	11	15	1	6
Short-term debt	84	16	2	3
Short-term lease liabilities	-	-	58	61
Current liabilities relating to share acquisitions	16	2	2	2
Short-term provisions	51	63	130	118
Contract liabilities	-	49	62	41
Other current liabilities	34	38	21	17
Liabilities classified as held for sale	-	14	20	27
Total current liabilities	**1,722**	**1,238**	**1,291**	**1,256**
Total liabilities	**3,895**	**2,051**	**2,407**	**2,392**
Total equity and liabilities	**5,366**	**3,721**	**3,539**	**3,472**

Consolidated Cash Flow Data

	For the year ended September 30,			For the six months ended March 31,	
	2018 (restated)(♦)	2019 (audited)	2020 (audited)	2020 (unaudited)	2021 (unaudited)
			(in € millions)		
Net cash from operating activities – continuing operations	181	287	50	84	42
Net cash used in investing activities – continuing operations	(368)	(123)	(99)	(58)	(30)
Net cash from/(used in) financing activities – continuing operations	182	(1,381)	70	680	(16)

(♦) The data for the year ended September 30, 2018 has been restated for the Areas Sale. See "*Presentation of Financial Information and Other Data—Sale of the Concession Catering business.*"

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of the Group's financial condition and results of operations should be read together with the English language translations of the Consolidated Financial Statements, which are incorporated by reference into this Offering Memorandum.

Some of the information contained in the following discussion, including information with respect to the Group's plans and strategies for its business and expected sources of financing, contains forward-looking statements that involve risk, uncertainties and assumptions. Actual results could differ materially from those that are discussed in these forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed below and elsewhere in this Offering Memorandum. See "Forward-Looking Statements" and "Risk Factors."

Overview

We are a leading international player in contract catering & services, serving 4 million customers every day at approximately 22,700 restaurants and points of sale across the world, and looking after 2,300 sites for clients in France through our services offerings. We have over 105,000 employees based in six main countries in Europe and North America, and a small presence in Asia. Our mission is to be a responsible caterer and facility management provider aiming for sustainable growth.

Our contract catering business serves three key client markets: corporate entities and government agencies (Business & Industry), educational establishments (Education), and health and welfare establishments (Health & Welfare). We operate our contract catering activities in our traditional markets of France, Spain (including Portugal), Italy and the United Kingdom as well as in the United States since 2013.

In every contract catering market we serve, we seek to tailor our services to meet each client and guest profile. In the Business & Industry market, our business model has historically been focused on providing outsourced contract catering services at our customers' premises, where we prepare and serve meals at corporate sites (SMEs, blue chip), government offices, museums, stadiums and on board trains. In accordance with the size and requirements of the business, we deploy new operating models such as leveraging on our central production units (central kitchen) that we already used mainly in the education market as well as innovations and digital solutions to facilitate meal delivery. For example, we have developed applications for pre-ordering and paying for meals, which reduce wait times during peak periods. Another example of innovation is Food360, which allows an employee to order food on an application and receive the quality and balanced dish in the workplace smart refrigerator at the time desired. In the Education market, we operate the largest kitchen infrastructure in Europe, which allows us to combine high productivity with a local presence. We use local and certified organic food in our homemade recipes to promote healthy eating habits among our young guests. We provide catering and services for both public and private education from early childhood, day-care, school (elementary and higher), through to university. In the Health & Welfare market, we provide catering and services for hospitals, clinics, retirement homes and day-care centers for disabled, elderly and dependent (including home delivery). We tailor catering solutions to patients' pathologies, adapting textures and personalizing nutritional protocols.

Based on revenue generated in the year ended September 30, 2020, we estimate that we are the second-largest pure player in contract catering & services worldwide, with leading market positions in Europe and a growing presence in the United States.

The majority of our services business is conducted in France and involves the provision of soft facility management solutions, notably cleaning, reception, concierge, light maintenance and grounds maintenance services. Through this business, we provide public and private-sector institutional clients with a wide array of outsourced solutions ranging from cleaning and reception services through to the management of offices, hotels, shopping malls, leisure and vacation parks and office and apartment buildings. We estimate that we are the sixth-leading cleaning services provider in France and the number one provider of outsourced cleaning and hospitality services for the French healthcare sector.

In the year ended September 30, 2020, we generated total consolidated revenue of €3,967 million, of which €1,778 million was generated in France and €2,182 million internationally, with €1,620 million from the Business & Industry market, €1,149 million from the Education market and €1,198 million from the Health & Welfare market. Our largest market by revenue is France, followed by the US.

In the year ended September 30, 2019, we generated total consolidated revenue of €4,923 million, of which €2,212 million was generated in France and €2,689 million internationally, with €2,256 million from the Business & Industry market, €1,415 million from the Education market and €1,252 million from the Health & Welfare market.

In the year ended September 30, 2019, we generated Adjusted EBITA from continuing operations of €176 million of which €109 million in France and €90 million internationally.

We are a listed company with a market capitalization of €1.2 billion as of June 28, 2021.

Significant Events

Six Months Ended March 31, 2021

The COVID-19 crisis and continuity of operations

The main significant event of the six months ended March 31, 2021 was the ongoing COVID-19 pandemic which particularly affected the performance of the Group's Business & Industry market and, to a lesser extent, the Education market.

As of March 31, 2021, the Group had €819 million in available liquidity, which was comprised of (i) the full €450 million of its euro-denominated revolving credit facility, (ii) the full $250 million (€213 million) of its US dollar-denominated revolving credit facility, and (iii) €126 million in other available credit facilities. See Note 19.1.2 to the Interim Consolidated Financial Statements for the six months ended March 31, 2021 incorporated by reference into in this Offering Memorandum.

Taking into account (i) the Group's cash position, its available liquidity and its revised 12-month cash flow projections, and (ii) its debt structure after obtaining a government-backed loan, the Group believes that it has a sufficient level of cash to ensure the continuity of its operations.

Amendments to the Securitization Program

On October 13, 2020, the €360 million 2017 Securitization Program, which was originally scheduled to expire in July 2021, was amended in order to extend its maturity until October 2024 and to ensure compliance with the criteria provided for in Regulation (EU) 2017/2402 of the European Parliament and the Council of December 12, 2017 laying down a general framework for securitization and creating a specific framework for simple, transparent and standardized securitization. The amendments concerned do not affect the accounting treatment applied to the 2017 Securitization Program.

Covenant holiday

On November 24, 2020, the Issuer obtained an extension of its covenant holiday from September 30, 2021 to September 30, 2022, which is now the date of the next covenant test. This covenant holiday is subject to the following terms and conditions: (i) an additional 50 basis points margin level now applies for the tests on March 31 and September 30, 2021, (ii) the Issuer may not pay any dividends if its leverage ratio after the dividend payment is over 4x, (iii) the aggregate amount of acquisitions is capped at €50 million until the maturity date of the debt for as long as the leverage ratio is over 4x, and (iv) 50% of the proceeds of any new borrowings must be utilized for repaying existing drawdowns.

Government-backed loan

On March 22, 2021, Elior Group received a government- backed loan amounting to €225 million, of which 80% is guaranteed by the French State (the "**PGE**"). The PGE has a one-year term with a five -year extension option exercisable by Elior Group. The PGE is repayable in six-monthly installments of 10% as from October 1, 2022.

Six Months Ended March 31, 2020

COVID-19 crisis

The six months ended March 31, 2020 were marked by the outbreak of the COVID-19 pandemic, which affected the performance of the Group's Education and Business & Industry markets. The estimated impacts of the crisis in the six months ended March 31, 2020 were €157 million on consolidated revenue and €70 million on Adjusted EBITA before the application of IFRS 16.

Year Ended September 30, 2020

The COVID-19 crisis and continuity of operations

The main significant event of fiscal 2019-20 was the COVID-19 public health crisis, which has affected the performance of the Group's Education and Business & Industry activities since March 2020. The estimated impacts of the crisis during the fiscal year are €1,003 million on consolidated revenue and €268 million on Adjusted EBITA before the application of IFRS 16.

At September 30, 2020, the Group had €630 million in available liquidity, including (i) an unused amount of €250 million under its €450 million euro-denominated revolving credit facility, (ii) the full $250 million of its US dollar-denominated revolving credit facility (corresponding to €213 million), and (iii) €129 million in other available credit facilities.

Payment of the 2018-2019 dividend

The dividend for the year ended September 30, 2019 – which corresponded to €51.7 million (€0.29 per share) and was approved by the Company's shareholders at the March 20, 2020 Annual General Meeting – was paid on April 9, 2020.

Covenant holiday

On May 26, 2020, Elior Group's lending banks agreed to suspend the covenant tests due to be performed on the Group's senior borrowings at September 30, 2020 and March 31, 2021.

Final purchase price adjustment for the Group's Concession Catering business

On August 25, 2020, a final purchase price adjustment of €48 million was paid to PAI Partners following the sale of the Group's Concession Catering business on July 1, 2019.

Restructuring plan

On September 30, 2020, a reorganization provision was announced to our employee representatives and consultative bodies. A €68 million provision is recognized in France for the job redeployment plan (*Plan de Sauvegarde de l'Emploi*). The plan concerns 1,881 employees and mainly affects Elior Entreprises.

Year Ended September 30, 2019

Areas Sale

Following the review of its strategic options and a subsequent bid process, on March 20, 2019, Elior Group announced that it had entered into exclusive discussions with PAI Partners concerning the sale of its concession catering operations grouped within its Areas subsidiary.

On July 1, 2019, Elior Group announced that it had completed the sale of Areas to PAI Partners for €1.4 billion (representing an enterprise value of €1.542 billion), of which €70 million corresponded to an interest-bearing vendor loan.

The net capital gain on the sale amounted to €208 million, excluding the tax impact, and has been recognized in "Net profit from discontinued operations."

In accordance with IFRS 5, "Non-current Assets Held for Sale and Discontinued Operations," the Group's Concession Catering business has been presented under discontinued operations in the income statement and its assets and liabilities have been classified as assets and liabilities held for sale in the balance sheet.

Repayments of borrowings

The proceeds received from the sale of Areas were used to reduce the Group's debt and to lower its leverage ratio (net debt to EBITDA) to within a range of 1.5x to 2x. This notably involved repaying in advance (with no early repayment penalties), €654 million and $344 million of its Term Loan facilities, as well as $100 million in bond debt. Additionally, the Group repaid the €210 million and $75 million that it had drawn down on its existing revolving facilities.

Payment of the 2017-2018 dividend – cash/stock dividend option

The dividend for the year ended September 30, 2018 – which corresponded to €59.8 million (€0.34 per share) and was approved by the Company's shareholders at the March 22, 2019 Annual General Meeting – was paid on April 16, 2019. Out of this total, €33 million was paid in cash and the remainder in new Elior Group shares.

Share buyback program

In the year ended September 30, 2019, Elior Group used the authorizations given in the 15th and 22nd resolutions of the March 22, 2019 Annual General Meeting to launch a share buyback program with a view to canceling the repurchased shares by way of a capital reduction.

For this purpose, on July 5, 2019, the Company signed a mandate with Natixis to purchase up to €50 million worth of Elior Group shares.

At September 30, 2019, €50 million worth of shares had been bought back.

Year Ended September 30, 2018

Acquisition and disposals of shares in consolidated companies

In November 2017 and July 2018 respectively, Elior North America (formerly TrustHouse Services) – an Elior Group contract catering subsidiary operating in the United States – acquired CBM Managed Services and Bateman Community Living:

- CBM Managed Services ("**CBM**") is based in Sioux Falls, South Dakota and provides foodservices to correctional facilities. It has just under 1,000 employees serving 200 locations in 29 states.
- Bateman Community Living ("**Bateman**") is specialized in the seniors delivered food market, providing meals either at seniors' homes or in congregate settings throughout the US. It has 550 employees and 200 clients.

An aggregate €36 million in net goodwill was recognized in relation to these two acquisitions.

Acquisition of an additional interest in Elior North America

In July 2018, Elior Group carried out a purchase of non-controlling interests in its subsidiary, Elior North America. This transaction enabled the Group to simplify Elior North America's ownership structure by purchasing shares from the subsidiary's minority shareholders.

On completion of the transaction, Elior Group's stake in Elior North America increased from 74% to 92% in return for a cash payment of $115 million (converting to €99 million at the transaction date).

Elior North America's minority shareholders still hold an aggregate 8% interest in the company, which is covered by cross put and call options exercisable from 2023. The put liability has been recognized in consolidated equity in an amount corresponding to the present value of the option's exercise price.

Dividend payment by Elior Group on April 17, 2018

The dividend for the year ended September 30, 2017 – which corresponded to €72.5 million (€0.42 per share) and was approved by the Company's shareholders at the March 9, 2018 Annual General Meeting – was paid on April 17, 2018. Out of this total, €36.3 million was paid in cash and the remainder in Elior Group shares.

Change in governance

On October 31, 2017, Philippe Salle – the Group's Chairman and Chief Executive Officer – stepped down from his post. Following a decision taken by Elior Group's Board of Directors on July 26, 2017 to separate the roles of Chairman and Chief Executive Officer, Gilles Cojan - who was appointed by the Board as a director - was named Chairman of the Board of Directors, and Pedro Fontana was appointed as the Group's Interim Chief Executive Officer, both with effect from November 1, 2017.

Subsequently, at its meeting on December 5, 2017, the Board appointed Philippe Guillemot as the Group's Chief Executive Officer and Pedro Fontana became Deputy Chief Executive Officer. Pedro Fontana resigned end of March 2018.

Senior Facilities Agreement Amend & Extend transaction

On April 20, 2018, Elior Group and Elior Participations signed an 11th amendment to the Senior Facility Agreement with their lending banks, extending the maturities of some of the Senior Facility Agreement's term loans to May 2023.

Following the amend and extend, all such debt was carried solely by Elior Group except for the revolving credit facilities which could be drawn down by Elior Group and/or Elior Participations.

In addition, the interest payable on the US dollar-denominated facilities was decreased by 5 basis points. The aggregate amount of the facilities affected by this rate cut was $594 million.

Lastly, the maximum drawdown on the euro-denominated revolving credit facility was raised by €150 million to €450 million.

The above changes were accounted for as simple modifications without any extinguishment of the Group's existing debt.

Capital increase

In application of the 31st resolution adopted at the March 9, 2018 Annual General Meeting, Elior Group launched its first international employee share ownership plan, called the "Future Plan." A total of 1,059,846 new Elior Group shares were purchased by employees under the plan, corresponding to a capital increase of €15 million (which took place in April 2018).

Presentation of Elior Group's 2019-2021 strategic plan

At Elior Group's Investor Day held on June 26, 2018, CEO Philippe Guillemot presented the Group's new strategic plan, covering the three fiscal years until September 30, 2021.

Results of Operations

Six Months Ended March 31, 2021 compared to Six Months Ended March 31, 2020

The following table sets forth certain consolidated income statement data for the periods indicated.

	For the six months ended March 31,				
	2020 (unaudited) (in € millions)	% of revenue	2021 (unaudited) (in € millions)	% of revenue	Variation (in € millions)
Revenue	**2,459**	**100%**	**1,869**	**100%**	**(590)**
Purchase of raw materials and consumables	(797)	(32%)	(578)	(31%)	219
Personnel costs	(1,232)	(50.10%)	(1,003)	(54%)	229
Share-based compensation expense	(2)	(.08%)	-	-	-
Other operating expenses	(250)	(10%)	(195)	(10%)	55
Taxes other than on income	(43)	(1.75%)	(36)	(2%)	7
Depreciation, amortization and provisions for recurring operating items	(84)	(3.42%)	(81)	(4%)	3
Net amortization of intangible assets recognized on consolidation	(10)	(.41%)	(9)	0%	1
Recurring operating profit/(loss) from continuing operations	**41**	**1.67%**	**(33)**	**(2%)**	**(74)**
Share of profit of equity-accounted investees	(1)	(.04%)	(1)	0%	0

	For the six months ended March 31,				
	2020 (unaudited) (in € millions)	% of revenue	2021 (unaudited) (in € millions)	% of revenue	Variation (in € millions)
Recurring operating profit/(loss) including share of profit of equity-accounted investees	**40**	**1.63%**	**(34)**	**(2%)**	**(74)**
Non-recurring income and expenses, net	(6)	(.24%)	(3)	0%	3
Operating profit/(loss) including share of profit of equity- accounted investees	**34**	**1.38%**	**(37)**	**(2%)**	**(71)**
Financial expenses	(20)	(.81%)	(26)	(1%)	(6)
Financial income	3	.12%	6	0%	3
Profit/(loss) from continuing operations before income tax	**17**	**.69%**	**(57)**	**(3%)**	**(74)**
Income tax	(15)	(.61%)	4	0%	19
Net profit/(loss) for the period from continued operations	2	.08%	(53)	(3%)	(55)
Net profit/(loss) for the period from discontinued operations	**(20)**	**(.81%)**	**(3)**	**0%**	**17**
Net profit for the period	**(18)**	**(.73%)**	**(56)**	**(3%)**	**(38)**
Attributable to:					
Owners of the parent	(17)	**(.69%)**	(53)	(3%)	(36)
Non-controlling interests	(1)	(.04%)	(3)	0%	(2)

Consolidated revenue

Consolidated revenue from continuing operations totaled €1.869 billion for the six months ended March 31, 2021, compared with €2.459 billion for the six months ended March 31, 2020. The 24% period-on-period decrease reflects the 22.3% organic decline and a 1.7% currency headwind, notably attributable to the U.S. dollar and the pound sterling. There was no material impact from acquisitions or divestments.

The following table shows a breakdown of consolidated revenue by segment as well as a breakdown of revenue growth between organic growth, changes in scope of consolidation and the impact of changes in exchange rates (currency effect) for each segment.

	Six Months Ended March 31, 2021	Six Months Ended March 31, 2020	Organic growth	Changes in scope of consolidation	Currency effect	Total growth
	(in € millions)					
France	890	1,086	(18.1)%	0.0%	0.0%	(18.1)%
International	979	1,367	(25.3)%	0.0%	(3.1)%	(28.4)%
Contract Catering & Services	1,869	2,453	(22.1)%	0.0%	(1.7)%	(23.8)%
Corporate & Other	-	6	(93.3)%	0.0%	0.0%	(93.3)%
GROUP TOTAL	1,869	2,459	(22.3)%	0.0%	(1.7)%	(24.0)%

Consolidated revenue generated in France accounted for 48% of consolidated revenue for the six months ended March 31, 2021, compared with 44% for the six months ended March 31, 2020.

Consolidated revenue generated in France totaled €890 million for the six months ended March 31, 2021, an 18.1% organic contraction (no material impact from acquisitions or divestments) as compared to the six months ended March 31, 2020. Business & Industry held up better than in most other countries. Although working-from-home remained the norm when possible in the first half of 2021, we have seen service-sector workers desire to return to the office. The Education market stayed relatively well oriented in the first half of the current fiscal year as the public authorities in France kept schools open throughout the period.

The Corporate & Other segment, which includes the Group's remaining concession catering activities not sold with Areas, generated very weak first half revenue due to state-enforced business closures.

International operations accounted for 52% of consolidated revenue in the six months ended March 31, 2021, compared with 56% for the six months ended March 31, 2020.

International revenue declined 28.4% to €979 million for the six months ended March 31, 2021. This change comprised a 25.3% organic decline as compared to the six months ended March 31, 2020 and a 3.1% currency headwind attributable to the U.S. dollar and the pound sterling. There was no material impact from acquisitions or divestments. All the countries where we operate were affected by the stricter public health measures taken since the previous fall to stem a spike in the global COVID-19 pandemic. The UK was particularly impacted by the strict lockdown imposed on January 4, 2021 and still mostly in place as of March 31, 2021 although schools were reopened in early March. Italy was also affected but proved more resilient than other countries thanks to a Business & Industry client mix largely skewed towards the industrial sector, thus less exposed to those working-from-home.

The following table shows a revenue breakdown between the Group's three main markets and the growth rates by market for the periods indicated:

	Six Months Ended March 31, 2021	**Six Months Ended March 31, 2020**	**Organic growth**	**Changes in scope of consolidation**	**Currency effect**	**Total growth**
	(in € millions)					
Business & Industry	617	1,056	(40.4)%	0.0%	(1.1)%	(41.5)%
Education	679	788	(11.8)%	0.1%	(2.1)%	(13.9)%
Health & Welfare	572	615	(4.5)%	0.0%	(2.5)%	(7.0)%
GROUP TOTAL	1,869	2,459	(22.3)%	0.0%	(1.7)%	(24.0)%

The Business & Industry market generated revenue of €617 million for the six months ended March 31, 2021, a 41.5% decrease as compared to the six months ended March 31, 2020. The Business & Industry market remained particularly impacted by public health measures that recommended, or even required, working-from-home. The 36.9% organic decline in the second quarter of the year ending September 30, 2021 was smaller than in the first (-43.5%), mainly reflecting a more favorable year-on-year comparison in the second quarter as we lapped the one-year anniversary of the first lockdown measures.

The Education market generated revenue of €679 million for the six months ended March 31, 2021, down 13.9% as compared to the six months ended March 31, 2020. The Education market is more resilient than the Business & Industry market yet has still been impacted by stricter public health measures in all the countries where we operate.

The Health & Welfare market generated revenue of €572 million for the six months ended March 31, 2021, a decrease of 7.0% as compared to the six months ended March 31, 2020. Contract catering continues to suffer from the closure of areas usually open to the public, such as hospital cafeterias. On the other hand, Elior Services, which provides cleaning and hygiene services for production areas and highly specific environments such as white rooms, remains resilient, thanks to solutions specifically adapted to the COVID-19 pandemic.

Purchase of raw materials and consumables

Purchase of raw materials and consumables decreased by €219 million, or 27.5%, from €797 million for the six months ended March 31, 2020 to €578 million for the six months ended March 31, 2021, reflecting the period-on-period contraction in consolidated revenue.

As a percentage of revenue, Purchase of raw materials and consumables represented 30.9% in the six months ended March 31, 2021 as compared to 32.4% in the six months ended March 31, 2020.

Personnel costs

Personnel costs for continuing operations decreased by €231 million, or 18.7%, from €1,234 million for the six months ended March 31, 2020 to €1,003 million for the six months ended March 31, 2021. As a percentage of revenue, personnel costs represented 53.7% in the six months ended March 31, 2021 as compared to 50.2% in the six months ended March 31, 2020.

Personnel costs for continuing operations include share-based compensation expense, which relates to long-term compensation plans put in place in the Group's French and international subsidiaries. Share-based compensation expense represented a nil amount in the six months ended March 31, 2021 as compared to €2 million for the six months ended March 31, 2020.

Excluding share-based compensation expense, personnel costs were €229 million lower for the six months ended March 31, 2021, at €1,003 million compared with €1,232 million for the six months ended March 31, 2020. This period-on-period decrease was primarily due to the decline in consolidated revenue.

Other operating expenses

Other operating expenses for continuing operations decreased by €55 million, or 22%, from €250 million for the six months ended March 31, 2020 to €195 million for the six months ended March 2021. This period-on-period decrease reflects the decline in consolidated revenue in the six months ended March 31, 2021.

Taxes other than on income

Taxes other than on income decreased by €7 million, or 16% from €43 million for the six months ended March 31, 2020 to €36 million for the six months ended March 31, 2021.

Depreciation, amortization and provisions for recurring operating items

Depreciation, amortization and provisions for recurring operating items recorded by continuing operations edged down €3 million, or 3.7%, from €84 million for the six months ended March 31, 2020 to €81 million for the six months ended March 31, 2021. This decrease mainly stemmed from the restructuring measures launched in the year ended September 30, 2020 as well as a much lower level of capital expenditure since the outbreak of the COVID-19 crisis.

Adjusted EBITA from continuing operations

The following table sets out adjusted EBITA by segment and as a percentage of the revenue of each segment.

	Six Months Ended March 31, 2021	Six Months Ended March 31, 2020	Change in Adjusted EBITA (in € millions)	Currency effect	Total growth
	(in € millions)				
France	(4)	37	*(41)*	*(0.4)%*	*3.4%*
International	(12)	26	*(38)*	*(1.2)%*	*1.9%*
Contract Catering & Services	(16)	63	*(79)*	(0.8)%	2.6%
Corporate & Other	(9)	(11)	2	n.a.	n.a.
GROUP TOTAL	(25)	52	(77)	(1.3)%	2.1%

Consolidated Adjusted EBITA from continuing operations for the six months ended March 31, 2021 was a loss of €25 million compared with a €52 million profit for the six months ended March 31, 2020. Adjusted EBITA margin was -1.3% compared with +2.1% in the six months ended March 31, 2020, reflecting the ongoing impact of the COVID-19 pandemic.

Adjusted EBITA drop-through was 14% (at constant exchange rates) in the six months ended March 31, 2021, a significant improvement compared to 22% in the six months ended March 31, 2020, attributable to our rigorous focus and agility in controlling operating costs.

In the International segment, Adjusted EBITA was a loss of €12 million in the six months ended March 31, 2021 as compared to a €26 million profit in the six months ended March 31, 2020. The Adjusted EBITA margin was -1.2% in the six months ended March 31, 2021, compared with +1.9% in the six months ended March 31, 2020.

In France, Adjusted EBITA was a loss of €4 million in the six months ended March 31, 2021 as compared to a €37 million profit in the six months ended March 31, 2020. The Education and Health & Welfare markets proved more resilient to the pandemic than the Business & Industry market.

The Corporate & Other segment's Adjusted EBITA was a loss of €9 million in the six months ended March 31, 2021, an improvement on the €11 million loss in the six months ended March 31, 2020.

Recurring operating profit from operations including share of profit from equity-accounted investees

This item represented a €34 million loss in the six months ended March 31, 2021 compared with profit of €40 million in the six months ended March 31, 2020. The six months ended March 31, 2021 figure includes €9 million in amortization of intangible assets related to acquisitions, compared with €10 million in the six months ended March 31, 2020.

Non-recurring income and expenses, net

Non-recurring items represented a net expense of €3 million in the six months ended March 31, 2021 versus a net expense of €6 million in the six months ended March 31, 2020. For both periods, the total chiefly includes costs incurred in France and abroad related to restructurings and business stoppages.

Financial income and expenses, net

Net financial expense for continuing operations amounted to €20 million for the six months ended March 31, 2021 compared with €17 million for the six months ended March 31, 2020.

This period-on-period increase was primarily attributable to (i) the higher amount of average debt under the SFA in the six months ended March 31, 2021 compared with the six months ended March 31, 2020 and (ii) the impact of fair value adjustments made to the SFA debt following the change in the applicable interest rates as a result of the covenant holiday obtained in November 2020. This holiday lasts until September 30, 2022, which is now the date of the next covenant test.

Income tax

Income tax expense, excluding the French CVAE tax on value added generated by the business, is recognized based on Management's estimate of the average annual income tax rate for the full fiscal year. The estimated average tax rate for the year ending September 30, 2021 which was used to calculate the income tax expense for the six months ended March 31, 2021 was 12%. The estimated rate applied for the six months ended March 31, 2020 was 22%.

The Group recorded a €4 million income tax benefit for the six months ended March 31, 2021 versus a €15 million income tax expense for the six months ended March 31, 2020. This €19 million period-on-period change was mainly due to a sharp €74 million drop in pre-tax profit, which resulted in the Group recording a pre-tax loss, and (ii) a reduction in the French CVAE tax from €9 million to €7 million.

Loss for the period from discontinued operations

The Group recorded a €3 million net loss from discontinued operations in the six months ended March 31, 2021, versus a €20 million net loss in the six months ended March 31, 2020. The six months ended March 31, 2021 figure chiefly stemmed from the remaining Concession Catering activities that were not included in the sale of Areas and which are in the process of being sold by the Group.

In the six months ended March 31, 2021, loss for the period from discontinued operations primarily included the impact of a €20 million additional price adjustment for the sale of the Concession Catering division, relating to working capital.

Attributable profit for the period and earnings per share

As a result of the factors described above, the Group's attributable net loss for the six months ended March 31, 2021 amounted to €56 million, versus a loss of €18 million for the six months ended March 31, 2020.

Basic and diluted earnings per share from continuing operations came to a loss of €0.29 for the six months ended March 31, 2021 compared with earnings of €0.02 for the six months ended March 31, 2020.

Adjusted attributable profit for the period

Adjusted attributable net profit/(loss) for the period corresponds to consolidated net profit/(loss) for the period from continuing operations attributable to owners of the parent adjusted for the following: (i) "Non-recurring income and expenses, net", (ii) goodwill impairment losses and net amortization of intangible assets recognized on consolidation in relation to acquisitions, (iii) exceptional impairment of investments in and loans to non-consolidated companies, and (iv) the impact of the capital gains and losses on sales of consolidated companies recognized in "Net profit/(loss) from discontinued operations", with all of these adjustments being net of tax.

	Six Months Ended March 31, 2021	Six Months Ended March 31, 2020
	(in € millions)	
Net profit/(loss) for the period attributable to owners of the parent – continuing operations	(50)	3
Adjustments		
Non-recurring income and expenses, net[(1)]	3	6
Net amortization of intangible assets recognized on consolidation	9	10
Exceptional impairment of investments in and loans to non-consolidated companies	-	-
Tax effect on (1) calculated at the standard rate of 34%	(3)	(8)
Adjusted attributable profit for the period	(41)	11
Adjusted earnings per share (in €)	**(0.24)**	**0.06**

Year Ended September 30, 2020 compared to Year Ended September 30, 2019

The following table sets forth certain consolidated income statement data for the periods indicated.

	For the year ended September 30,				
	2019 (audited)	% of revenue	2020 (audited)	% of revenue	Variation
			(in € millions)		
Revenue	**4,923**	**100%**	**3,967**	**100%**	**(956)**
Purchase of raw materials and consumables	(1,557)	(32%)	(1,287)	(32%)	270
Personnel costs	(2,436)	(49%)	(2,077)	(52%)	359
Share-based compensation expense	5	0%	-	-	-
Other operating expenses	(561)	(11%)	(420)	(11%)	141
Taxes other than on income	(71)	(1%)	(71)	(2%)	0
Depreciation, amortization and provisions for recurring operating items	(122)	(2%)	(178)	(4%)	(56)
Net amortization of intangible assets recognized on consolidation	(21)	0%	(20)	(1%)	1
Recurring operating profit/(loss) from continuing operations	**160**	**3%**	**(86)**	**(2%)**	**(246)**
Share of profit of equity-accounted investees	-	-	(3)	0%	-
Recurring operating profit/(loss) including share of profit of equity-accounted investees	**160**	**3%**	**(89)**	**(2%)**	**(249)**
Non-recurring income and expenses, net	(27)	(1%)	(240)	(6%)	(213)
Operating profit/(loss) including share of profit of equity- accounted investees	**133**	**3%**	**(329)**	**(8%)**	**(462)**
Financial expenses	(89)	(2%)	(45)	(1%)	44
Financial income	20	0%	7	0%	(13)
Profit/(loss) from continuing operations before income tax	**64**	**1%**	**(367)**	**(9%)**	**(431)**
Income tax	4	0%	(83)	(2%)	(87)
Net profit/(loss) for the period from continued operations	68	1%	(450)	(11%)	(518)
Net profit/(loss) for the period from discontinued operations	**202**	**4%**	**(37)**	**(1%)**	**(239)**
Net profit for the period	**270**	**5%**	**(487)**	**(12%)**	**(757)**
Attributable to:					
Owners of the parent	271	6%	(483)	(12%)	(754)
Non-controlling interests	(1)	0%	(4)	0%	(3)

Consolidated revenue

Consolidated revenue from continuing operations totaled €3,967 million in the year ended September 30, 2020 compared to €4,923 million in the year ended September 30, 2019. This 19.4% year-on-year decrease reflects a loss in revenue of (i) €1,003 million due to the COVID-19 crisis, (ii) -€11 million due to strikes in France at the end of the first quarter and start of the second quarter and (iii) -€39 million due to voluntary contract exits in Italy and scope reduction in the Tesco contracts in the United Kingdom.

Without these various exceptional impacts, Elior's organic growth was +1.7%. Acquisitions in the US and Italy contributed €4 million, while foreign exchange, notably the US dollar, added €8 million to consolidated revenue from continuing operations.

The proportion of revenue generated by international operations was 55% in the year ended September 30, 2020, same as with the previous fiscal year.

International revenue was €2,182 million, a decline of 18.9% compared to last year, reflecting the €551 million impact of COVID-19 and – to a much lesser extent – the Italian public-sector contracts that we chose not to renew last year and the scaled back Tesco contracts in the UK. Excluding those items, Elior's International organic revenue growth was 2.6%.

The US was the most resilient geography owing to Elior being less exposed to the Business & Industry market, our strong position in the National School Lunch Program from K-to-12 children and our ability to increase our use of existing capacity to support social services organizations.

Foreign exchange, notably a stronger US dollar, added +0.3% to international revenue compared to last year.

Revenue generated in France totaled €1,778 million in the year ended September 30, 2020, compared with €2,212 million in the year ended September 30, 2019, a decline of 19.6%. Elior Services has deployed its bio-cleaning expertise, including certified COVID-19 specific solutions, particularly in the Health & Welfare, but also in services and industrial sectors.

Excluding the €11 million impact from strikes and the €445 million impact from COVID-19, organic revenue was flat for France.

The Corporate & Other segment, which includes the Group's remaining concession catering activities not sold with Areas, generated €7 million in revenue in the year ended September 30, 2020, down from €22 million for the in the year ended September 30, 2019 notably due to the impact of the COVID-19 pandemic.

The following table shows a breakdown of consolidated revenue by segment as well as a breakdown of revenue growth between organic growth, changes in scope of consolidation and the impact of changes in exchange rates (currency effect) for each segment.

	Year ended September 30, 2020	Year ended September 30, 2019	Organic growth	Changes in scope of consolidation	Currency effect	Total growth
	(in € millions)					
France	1,778	2,212	(19.6)%	0.0%	0.0%	(19.6)%
International	2,182	2,689	(19.3)%	0.1%	0.3%	(18.9)%

	Year ended September 30, 2020	Year ended September 30, 2019	Organic growth	Changes in scope of consolidation	Currency effect	Total growth
	(in € millions)					
Contract Catering & Services	3,960	4,901	(19.4)%	0.1%	0.2%	(19.2)%
Corporate & Other	7	22	(68.8)%	0.0%	0.0%	(68.8)%
GROUP TOTAL	3,967	4,923	(19.7)%	0.1%	0.2%	(19.4)%

The following table shows a revenue breakdown between the Group's three main markets and the growth rates by market for the periods indicated:

	Year ended Septem ber 30, 2020	Year ended September 30, 2019	Organic growth	Changes in scope of consolidation	Currency effect	Total growt h
	(in € millions)					
Business & Industry	1,620	2,256	(28.3)%	0.0%	0.1%	(28.2)%
Education	1,149	1,415	(19.0)%	0.1%	0.2%	(18.7)%
Health & Welfare	1,198	1,252	(4.8)%	0.2%	0.2%	(4.4)%
GROUP TOTAL	**3,967**	**4,923**	**(19.7)%**	**0.1%**	**0.2%**	**(19.4)%**

Business & Industry generated revenue of €1,620 million in the year ended September 30, 2020, a decline of 28.2% compared to the year ended September 2019 to the COVID-19 lockdowns.

Education generated revenue of €1,149 million in the year ended September 30, 2020, a decline of 18.7% for the full year 2019-20, compared to the year ended September 2019, again due to the COVID-19 impact.

Health & Welfare revenue stood at €1,198 million, a decline of 4.4% compared to the year ended September 30, 2019. This market was the least impacted by COVID-19.

Purchase of raw materials and consumables

This item decreased by €270 million from €1,557 million in the year ended September 30, 2019 to €1,287 million in the year ended September 30, 2020 reflecting the year-on-year decrease in consolidated revenue.

As a percentage of revenue, "Purchase of raw materials and consumables" edged up from 31.6%. to 32.4% in the year ended September 30, 2020. This year-on-year rise reflects an increased use of sanitizing products and protective equipment as a result of COVID-19 (the costs of which were partly passed on to clients).

Personnel costs

Excluding share-based compensation, personnel costs for continuing operations decreased by €358 million year on year, from €2,436 million to €2,077 million. However, as a percentage of revenue, they increased slightly from 49.5% to 52.4%.

The figure for the Contract Catering & Services business line (excluding share-based compensation) fell by €349 million from €2,402 million to €2,053 million, primarily attributable to the decrease in consolidated revenue.

Personnel costs for continuing operations include share-based compensation, which relates to long-term compensation plans put in place in the Group's French and international subsidiaries. Share-based compensation represented a nil amount in the year ended September 30, 2020 compared to income of €5 million in the year ended September 30, 2019. The figures for both fiscal years include (i) the estimation that the objectives set for the June 15, 2018 performance share plan would not be achieved, and (ii) the re-estimation of the liability related to (a) the Elior North America stock option plan for the year ended September 30, 2019 and (b) the July 24, 2019 performance share plan for the year ended September 30, 2020.

Other operating expenses

Other operating expenses for continuing operations decreased by €141 million, or 25.2%, from €561 million to €420 million. This decrease was due to the decline in consolidated revenue in the year ended September 30, 2020 and the cancellation of €59 million in lease payments following the first-time application of IFRS 16.

Taxes other than on income

This item remained stable year on year, at €71 million.

Depreciation, amortization and provisions for recurring operating items

Depreciation, amortization and provisions for recurring operating items recorded by continuing operations rose by €56 million, or 45.9%, from €122 million to €178 million. This increase mainly stemmed from the amortization of right-of-use assets following the first-time application of IFRS 16.

Adjusted EBITA from continuing operations

The following table sets out Adjusted EBITA by segment and as a percentage of the revenue of each segment.

	Year ended September 30, 2020	Year ended September 30, 2019	Change in Adjusted EBITA	Currency effect	Total growth
	(in € millions)		(in € millions)		
France	(13)	109	(122)	(0.7)%	4.9%
International	(30)	90	(120)	(1.4)%	3.3%
Contract Catering & Services	(43)	199	(242)	(1.1)%	4.1%
Corporate & Other	-	-	-	-	-
GROUP TOTAL	(26)	(23)	(3)	0.0%	0.0%

Adjusted EBITA for continuing operations was a €69 million loss for the fiscal year ended on September 30, 2020, including a positive €2 million from the application of IFRS 16, compared with a profit of €176 million in the year ended on September 30, 2019. As a result of the €245 million year-on-year decline, the Adjusted EBITA margin was -1.7% for the year ended September 30, 2020 compared to +3.6% in the year ended September 30, 2019. The French strikes accounted for -€7 million, voluntary contract exits in Italy, contract terminations with the Ministry of Defense and Tesco contracts scope reduction in the UK together accounted for -€5 million, while the COVID-19 pandemic impact was -€268 million for the year ended September 30, 2020.

Elior had estimated that the COVID-19 drop-through from revenue to Adjusted EBITA would be less than 30% over the full year. The actual final drop-through was 27%.

In the International segment, Adjusted EBITA totaled a negative €30 million for the year ended September 30, 2020, compared to a positive €90 million a year ago, notably due to the major impact of COVID-19. Adjusted EBITA as a percentage of revenue was -1.4% for the year ended September 30, 2020, as compared to 3.3% for the year ended September 30, 2019.

In France, Adjusted EBITA came to a negative €13 million for the year ended September 30, 2020, as compared to a positive €109 million for the year ended September 30, 2019. Tighter operational discipline and greater commercial selectivity by the management team helped to offset the impact of the general labor strikes in France but business was severely impacted by the COVID-19 lockdown measures. Health & Welfare was less affected despite the closures of hospital cafeterias. The Adjusted EBITA as a percentage of revenue was -0.7%, compared to 4.9% year ago.

The Corporate & Other Adjusted EBITA was a negative €26 million for the year ended September 30, 2020 compared to a negative €23 million for the year ended September 30, 2019, mostly due to the impact of COVID-19.

Recurring operating profit from operations including share of profit from equity-accounted investees

Recurring operating loss from continuing operations (including share of profit of equity-accounted investees), was €89 million for the full year 2019-20, which included an IFRS 16 benefit of €2 million, compared with a profit of €160 million for the year ended September 30, 2019. The figure for the year ended September 30, 2020 includes €20 million in amortization of intangible assets related to acquisitions, compared to €21 million for the year ended September 30, 2019.

Non-recurring income and expenses, net

Non-recurring items represented a net expense of €240 million. This amount primarily included (i) €123 million in goodwill impairment losses recognized for Italy and the UK, and (ii) €103 million mainly related to provisions for restructuring costs, notably a €68 million provision recognized in France following the Group's announcement on September 30, 2020 of a job redeployment plan (*Plan de Sauvegarde de l'Emploi*). In fiscal 2018-19, non-recurring items represented a net expense of €27 million and mainly related to restructuring costs.

Financial income and expenses, net

Net financial expense was -€38 million, which included an IFRS 16 impact of -€7 million in the year ended September 30, 2019. This compared to -€69 million a year ago, due to the reduction in debt following the sale of Areas in 2018-19, and the impact of the lower leverage ratio on the margin.

Income tax

Income tax expense amounted to €83 million in the year ended September 30, 2020, including an IFRS 16 benefit of €3 million, compared to a net benefit of €4 million resulting from a short-term tax loss on the divestment of Areas in 2018-19. In 2020, the Group only recognized a portion of the tax benefit arising from its net loss in the year ended September 30, 2020 and it wrote down (mainly in France) a significant portion of its deferred tax assets recognized in prior years, following an update to its profit projections.

For the year ended September 30, 2020 income tax expense also includes €19 million for the French CVAE tax, which is based on added value and therefore decreased for the year ended September 30, 2020 as compared with €21 million for the year ended September 30, 2019.

Loss for the period from discontinued operations

The Group recorded a €37 million net loss from discontinued operations in the year ended September 30, 2020, compared to net profit of €202 million in the year ended September 30, 2019, primarily reflecting the net price adjustment for the sale of Areas (corresponding to the Group's Concession Catering business). On the completion of this sale, which took place on July 1, 2019, the Group recognized a €208 million net capital gain before final price adjustments.

Attributable profit for the period and earnings per share

In view of the factors described above, in the year ended September 30, 2020, the Group recorded a €483 million net loss for the period attributable to owners of the parent, versus attributable net profit of €271 million for the year ended September 30, 2019. This represented a basic and diluted loss per share of €2.78 for the year ended September 30, 2020 compared with basic and diluted earnings per share of €1.54 and €1.53 respectively for the year ended September 30, 2019.

Adjusted attributable profit for the period

Adjusted attributable net profit for the period corresponds to consolidated net profit for the period from continuing operations attributable to owners of the parent adjusted for the following: (i) "Non-recurring income and expenses, net", (ii) goodwill impairment losses and net amortization of intangible assets recognized on consolidation in relation to acquisitions, (iii) exceptional impairment of investments in and loans to non-consolidated companies, and (iv) the impact of the capital gains and losses on sales of consolidated companies recognized in "Net profit/(loss) from discontinued operations", with all of these adjustments being net of tax.

	Year ended September 30, 2020	**Year ended September 30, 2019**
	(in € millions)	
Net profit/(loss) for the period attributable to owners of the parent – continuing operations	**(446)**	**68**
Adjustments		
Non-recurring income and expenses, net	123	27
Goodwill impairment losses	117	-
Net amortization of intangible assets recognized on consolidation	20	21
Exceptional impairment of investments in and loans to non-consolidated companies	6	12
Accelerated amortization of issuance costs related to debt repaid early following the sale of Areas	-	14
Tax effect calculated at the standard rate of 34%	(42)	(21)
Cancellation of tax savings generated on the sale of Areas	-	(20)
Adjusted attributable profit for the period	(222)	101
Adjusted earnings per share (in €)	(1.28)	0.57

Year Ended September 30, 2019 compared to Year Ended September 30, 2018

The following table sets forth certain consolidated income statement data for the periods indicated.

	For the year ended September 30,				
	2019 (audited)	**% of revenue**	**2018 (restated)**	**% of revenue**	**Variation**
			(in € millions)		
Revenue	**4,923**	**100%**	**4,886**	**100%**	**(37)**
Purchase of raw materials and consumables	(1,557)	(32%)	(1,557)	(32%)	0

	For the year ended September 30,				
	2019 (audited)	% of revenue	2018 (restated)	% of revenue	Variation
			(in € millions)		
Personnel costs	(2,436)	(49%)	(2,390)	(5%)	2197
Share-based compensation expense	5	0%	(29)	(1%)	(34)
Other operating expenses	(561)	(11%)	(564)	(12%)	(3)
Taxes other than on income	(71)	(1%)	(74)	(2%)	(3)
Depreciation, amortization and provisions for recurring operating items	(122)	(2%)	(125)	(3%)	(3
Net amortization of intangible assets recognized on consolidation	(21)	0%	(19)	0%	2
Recurring operating profit/(loss) from continuing operations	**160**	**3%**	**128**	**3%**	**(32)**
Share of profit of equity-accounted investees	-	-	(1)	(0%)	-
Recurring operating profit/(loss) including share of profit of equity-accounted investees	**160**	**3%**	**127**	**3%**	**(33)**
Non-recurring income and expenses, net	(27)	(1%)	(82)	(2%)	(55)
Operating profit/(loss) including share of profit of equity- accounted investees	**133**	**3%**	**45**	**1%**	**(88)**
Financial expenses	(89)	(2%)	(81)	(2%)	8
Financial income	20	0%	13	0%	(7)
Profit/(loss) from continuing operations before income tax	**64**	**1%**	**(23)**	**0%**	**(87)**
Income tax	4	0%	(2)	0%	(6)
Net profit/(loss) for the period from continued operations	68	1%	(25)	(1%)	(93)
Net profit/(loss) for the period from discontinued operations	**202**	**4%**	**63**	**1%**	**(139)**
Net profit for the period	**270**	**5%**	**38**	**1%**	**(232)**
Attributable to:					
Owners of the parent	271	6%	34	1%	(237)
Non-controlling interests	(1)	0%	4	0%	5

Consolidated revenue

Consolidated revenue from continuing operations totaled €4,923 million in the year ended September 30, 2019, up 0.8% on the year ended September 30, 2018. This year-on-year increase consisted of (i) negative organic growth of 0.8% (versus our guidance of 1.0% negative organic growth for the period), (ii) 1.4% in acquisition-led growth, (iii) a favorable 1.2% currency effect, and (iv) a negative 1.0% impact from the accounting policy change related to the first-time application of IFRS 15.

The following table shows a breakdown of consolidated revenue by segment as well as a breakdown of revenue growth between organic growth, changes in scope of consolidation and the impact of changes in exchange rates (currency effect) for each segment.

	Year ended September 30, 2019	Year ended September 30, 2018 (restated)	Organic growth	Changes in scope of consolidation	Currency effect	Other	Total growth
	(in € millions)						
France	2,212	2,185	1.8%	0.0%	0.0%	(0.6)%	1.2%
International	2,689	2,677	(2.9)%	2.5%	2.3%	(1.4)%	0.4%
Contract Catering & Services	4,901	4,862	(0.8)%	1.4%	1.3%	(1.0)%	0.8%
Corporate & Other	22	24	(7.7)%	0.0%	0.0%	0.0%	(7.7)%
GROUP TOTAL	4,923	4,886	(0.8)%	1.4%	1.2%	(1.0)%	0.8%

The following table shows a revenue breakdown between the Group's three main markets and the growth rates by market for the years ended September 30, 2019 and 2018:

	Year ended September 30, 2019	Year ended September 30, 2018 (restated)	Organic growth	Changes in scope of consolidation	Currency effect	Total growth
	(in € millions)					
Business & Industry	2,256	2,249	(0.6)%	0.6%	1.0%	0.3%
Education	1,415	1,433	(1.6)%	0.4%	1.6%	1.3%
Health & Welfare	1,252	1,204	(0.3)%	3.9%	1.3%	4.0%
GROUP TOTAL	4,923	4,886	(0.8)%	1.4%	1.2%	0.8%

Contract Catering & Services revenue climbed €39 million, or 0.8%, year on year to €4,901 million in the year ended September 30, 2019.

Organic growth for the fiscal year was a negative 0.8%. Recent acquisitions contributed €66 million to revenue — of which €65 million generated in the United States — representing acquisition-led growth of 1.4%. The currency effect was a positive 1.3% and the Group's first-time application of IFRS 15 had a 1.0% negative impact.

International revenue rose 0.4% to €2,689 million. Organic growth for this segment was a negative 2.9%, of which (i) 1.6% was due to the Group's decision not to renew public-sector contracts in Italy, and (ii) 2.2% related to the termination of contracts with the Ministry of Defense and the reduced scope of the Tesco contracts in the United Kingdom, as well as the loss of the Alabama Department of Social Services contract in the United States. In Spain, sales momentum was primarily driven by new market segments and new contract ramp-ups in Business & Industry and Health & Welfare, which more than offset the effect of site closures in the Education market. In Italy, the business development strategy put in place for the private sector and new market segments is now beginning to bear fruit. Recent acquisitions generated additional growth of 2.5% for international operations, mainly in the United States, and changes in exchange rates had a positive 2.3% impact. The calendar effect was slightly favorable during year.

Revenue generated in France totaled €2,212 million, with organic growth of 1.8%.

- The Business & Industry market saw good performances from existing sites, with sales momentum picking up pace in the second half of the year thanks to a highly customer-centric approach.

- The revenue figure posted by the Education market reflects the Group's more selective sales policy, particularly for delivered meals.

- The Health & Welfare market turned in a solid showing, led by a good level of client retention and business development.

The Corporate & Other segment – which includes the Group's remaining concession catering activities that were not sold with Areas – generated €22 million in revenue for the year ended September 30, 2019, slightly down on the previous year.

Purchase of raw materials and consumables

This item totaled €1,557 million in the year ended September 30, 2019, unchanged from the previous year despite the year-on-year revenue increase generated by acquisitions.

As a percentage of revenue, "Purchase of raw materials and consumables" improved slightly in the year ended September 30, 2019, edging down from 31.9%. to 31.6%.

Personnel costs

Personnel costs for continuing operations – excluding share-based compensation – increased by €12 million, or 0.5%, year on year, from €2,419 million to €2,431 million. However, as a percentage of revenue, they decreased slightly from 49.5% to 49.4%.

Personnel costs for the Contract Catering & Services business line rose by €46 million, or 1.9%, from €2,390 million to €2,436 million.

This absolute-value increase was notably due to salary increases in the United States and the impact of recent acquisitions (€17 million).

<u>Share-based compensation expense</u>

Share-based compensation – which relates to long-term compensation plans put in place in the Group's French and international subsidiaries – represented income of €5 million in the year ended September 30, 2019 compared to a €29 million expense in the year ended September 30, 2018. The year ended September 30, 2019 income figure primarily reflects (i) the estimation at September 30, 2019 of the non-achievement of the objectives set for the June 15, 2018 performance share plan, and (ii) the re-estimation of the liability related to the Elior North America stock option plan. The expense recorded in the year ended September 30, 2018 mainly related to the Elior North America stock option plan.

Other operating expenses

Other operating expenses for continuing operations decreased by €3 million (representing a 0.5% improvement) from €564 million to €561 million, including the impact of the Group's adoption of IFRS 15.

Taxes other than on income

This item decreased by €3 million, or 4.1%, from €74 million to €71 million, reflecting the exemption from the apprenticeship tax in France in 2019.

Depreciation, amortization and provisions for recurring operating items

Depreciation, amortization and provisions for recurring operating items recorded by continuing operations decreased by €3 million, or 2.4%, from €125 million to €122 million.

Depreciation and amortization rose by €10 million for the year ended September 30, 2019 as a result of capital expenditure incurred in previous years, whereas provisions were €5 million lower year on year, notably due to a decrease in provisions recorded for doubtful debts.

Adjusted EBITA from continuing operations

Adjusted EBITA from continuing operations came to €176 million in the year ended September 30, 2019, compared to €175 million in the year ended September 30, 2018.

The following table sets out adjusted EBITA by segment and as a percentage of the revenue of each segment.

	Year ended September 30, 2019	Year ended September 30, 2018(restated)	Change in Adjusted EBITA (in € millions)	Currency effect	Total growth
	(in € millions)				
France	109	98	11	4.9%	4.5%
International	90	92	(2)	3.3%	3.4%
Contract Catering & Services	199	190	9	4.1%	3.9%
Corporate & Other	(23)	(15)	(8)	n.a.	n.a.
GROUP TOTAL	176	175	1	3.6%	3.6%

Adjusted EBITA from continuing operations amounted to €176 million in the year ended September 30, 2019, representing 3.6% of revenue, on par with the year-earlier figure. This year-on-year stability in Adjusted EBITA margin was achieved thanks to an upturn in the second half, when the figure widened by 40 basis points compared with second-half of the year ended September 30, 2018.

In the International segment, Adjusted EBITA totaled €90 million and represented 3.3% of revenue versus 3.4% in the year ended September 30, 2018. The positive effects of the measures carried out to improve margins were not enough to fully offset the adverse impact of (i) the termination of the contracts with the Ministry of Defense and reduced scope of the Tesco contracts in the United Kingdom, and (ii) the loss of the contract with the Alabama Department of Social Services in the United States.

In France, Adjusted EBITA came to €109 million and represented 4.9% of revenue, up by 40 basis points compared with the year ended September 30, 2018. This increase was driven by the contract catering strategy put in place in by the new management team, which notably resulted in a more selective approach to contracts and tighter operational discipline.

Adjusted EBITA for the Corporate & Other segment declined in the year ended September 30, 2019 mostly due to IT opex incurred during the year. This segment includes the Adjusted EBITA contribution from city-site catering entities accounted for by the equity method.

Recurring operating profit from operations including share of profit from equity-accounted investees

Recurring operating profit from continuing operations, including the share of profit of equity-accounted investees, came to €160 million for the year ended September 30, 2019 compared with €127 million in the year ended September 30, 2018. The year ended September 30, 2019 figure includes €21 million in amortization of intangible assets related to acquisitions (compared to €19 million in the year ended September 30, 2018) and €5 million in income recorded under share-based compensation (compared with a €29 million expense in the year ended September 30, 2018).

Non-recurring income and expenses, net

Non-recurring income and expenses, net, from continuing operations represented a net expense of €27 million in the year ended September 30, 2019 (compared to an €82 million net expense in the year ended September 30, 2018).

For the year ended September 30, 2019, the item primarily included (i) €22 million in severance payments and other employee-related costs, and impairment losses recognized against operating assets, (ii) €4 million in impairment losses for internally-developed intangible assets, and (iii) reversals through profit of liabilities related to earn-out payments.

The figure for the year ended September 30, 2018 primarily included (i) €64 million in impairment of goodwill related to contract catering operations (€46 million for Italy and €18 million for India), (ii) €19 million in severance payments and other employee-related costs, impairment losses recognized against operating assets and prototypes, and costs incurred by the Group's French and international operations for exiting contracts with start-ups, (iii) €3 million in acquisition and merger costs (mainly in the US), and (iv) reversals of liabilities related to earn-out payments and fair value adjustments on acquisitions carried out in the US and United Kingdom, recognized in profit because they were recorded after the 12-month measurement period.

Financial income and expenses, net

Financial income and expenses for continuing operations represented a net expense of €69 million in the year ended September 30, 2019 compared with a net €68 million expense in the year ended September 30, 2018. The positive effect of the lower interest expense for the year ended September 30, 2019 due to the early repayment of the Group's existing term loan facilities following the sale of Areas, as described in section 1.1 above, was offset by the accelerated amortization of the issuance costs related to this debt and the termination costs of the associated swaps.

Income tax

The Group ended the year with an income tax benefit of €4 million in the year ended September 30, 2019 compared with a €2 million charge in the year ended September 30, 2018. Excluding the charge related to the French CVAE tax – which amounted to €21 million in both the year ended September 30, 2018 and the year ended September 30, 2019 – the Group's income tax benefit came to €25 million in the year ended September 30, 2019 compared to €19 million for the year ended September 30, 2018.

The year-on-year improvement was principally due to a €20 million net tax benefit arising on the creation and use during the year of a short-term tax loss generated on the sale of Areas, whereas in the year ended September 30, 2018 a deferred tax benefit of €8 million was recorded following the US federal tax reforms.

Loss for the period from discontinued operations

Net profit from discontinued operations amounted to €202 million for the year ended September 30, 2019, compared with €63 million the previous year. On July 1, 2019, the Group completed the sale of its Concession Catering business on which it recognized a €208 million net capital gain before final price adjustments. This amount corresponds to the sale price of €674 million, less (i) €462 million for the net amount of transferred assets and liabilities net of selling costs, and (ii) a €4 million translation reserve.

In the year ended September 30, 2019, net profit for the period from discontinued operations also included the residual "City sites" activities operated by Restaurants et Sites and GSR – two entities that were not transferred to PAI.

For the year ended September 30, 2018, net profit from discontinued operations primarily included the costs of liquidating an entity that previously formed part of the Group's Contract Catering business line (S.O.G.E.C.C.I.R).

Attributable profit for the period and earnings per share

As a result of the factors described above, the Group’s attributable net profit for the year ended September 30, 2019 amounted to €271 million, versus €34 million in the year ended September 30, 2018.

Basic and diluted earnings per share came to €1.54 and €1.53 respectively for the year ended September 30, 2019 compared with €0.19 (both basic and diluted EPS) in the year ended September 30, 2018.

Adjusted attributable profit for the period

Adjusted attributable net profit for the period corresponds to net profit for the period from continuing operations attributable to owners of the parent adjusted for the following: (i) “Non-recurring income and expenses, net”, (ii) goodwill impairment losses and net amortization of intangible assets recognized on consolidation in relation to acquisitions, (iii) exceptional impairment of investments in and loans to non-consolidated companies, (iv) the impact of the capital gains and losses on sales of consolidated companies recognized in “Net profit from discontinued operations”, with all of these adjustments being net of tax.

	Year ended September 30, 2019	**Year ended September 30, 2018 (restated)**
	(in € millions)	
Profit for the period attributable to owners of the parent – continuing operations	68	(28)
Adjustments		
Non-recurring income and expenses, net(1)	27	18
Goodwill impairment losses	-	64
Net amortization of intangible assets recognized on consolidation	21	19
Exceptional impairment of investments in and loans to non-consolidated companies	12	10
Accelerated amortization of issuance costs related to debt repaid in advance following the sale of Areas	14	-
Tax effect on (1) calculated at the standard rate of 34%	(21)	(6)
Cancellation of tax saving generated on the sale of Areas	(20)	-
Adjusted attributable profit for the period	101	77
Adjusted earnings per share (in €)	0.57	0.44

Liquidity and Capital Resources

The Group's cash requirements mainly relate to financing its working capital requirements and capital expenditure as well as servicing and repaying its debt. Its main source of liquidity is cash generated from operating activities. Going forward, its ability to generate cash from its operating activities will depend on its future operating performance, which is, in turn, dependent to some extent on general economic, financial, competitive, market, regulatory and other factors, many of which are beyond the Group's control. The Group uses its cash and cash equivalents – which are denominated in euros and U.S. dollars – to fund the day-to-day requirements of its business.

The Group's sources of liquidity have historically consisted mainly of the following:

- Net cash from operating activities, which amounted to €50 million for the year ended September 30, 2020 versus €287 million for the year ended September 30, 2019.

- Cash and cash equivalents: cash and cash equivalents recorded in the consolidated cash flow statement amounted to €40 million and €76 million at September 30, 2020 and 2019 respectively.

- Debt, which includes our existing senior facilities agreement, the Receivables securitization program and finance lease liabilities.

Following the Offering, the Group's main source of liquidity will be the Notes offered hereby, the New Term Loan and the Revolving Credit Facility, as well as the PGEs.

Seasonality

Revenue from most of the Group's businesses is subject to seasonal fluctuations. We experience during the summer period a lower level of activity as a large number of employees and students are on vacation.

The Group's net working capital is also subject to seasonal fluctuations as the amount of trade receivables increases during the first half of each financial year as revenue invoiced to clients is at its peak during this period, and decreases during the second half which corresponds to the trough in activity in the Group's contract catering business.

As a result, cash used for changes in working capital during the first half of each financial year is material, as is cash generated from working capital during the second half of the financial year. In addition, the effect of seasonality on cash used for or generated from working capital generally increases from one year to another as consequence of the growth (whether organic or arising from acquisitions) in the Group's consolidated annual revenue.

Contractual Commitments

Total contractual commitments relating to leases excluded from the scope of application of IFRS 16 or covered by IFRS 16 exemptions amounted to €20 million at September 30, 2020. This total breaks down as follows by maturity:

- Due in less than one year: €9 million

- Due in 1 to 5 years: €11 million

- Due beyond 5 years: non-material amount.

In addition, for certain lease contracts, on top of the fixed or guaranteed minimum lease payments due, the Group has committed to pay variable amounts that are not included when calculating lease liabilities. These variable amounts are generally based on footfall or revenue levels and cannot therefore be calculated for future periods.

Consolidated Cash Flow analysis

The table below sets forth the Group's consolidated cash flow data for the periods indicated.

	For the year ended September 30,			For the six months ended March 31,	
	2018 (restated)(◊)	2019 (audited)	2020 (audited)	2020 (unaudited)	2021 (unaudited)
			(in € millions)		
Net cash from operating activities – continuing operations	181	287	50	84	42
Net cash used in investing activities – continuing operations	(368)	(123)	(99)	(58)	(30)
Net cash from/(used in) financing activities – continuing operations.......	182	(1,381)	70	680	(16)

(*) The data for the year ended September 30, 2018 has been restated for the Areas Sale. See "*Presentation of Financial Information and Other Data—Sale of the Concession Catering business*."

Six Months Ended March 31, 2021 compared to Six Months Ended March 31, 2020

Cash Flows from Operating Activities

Operating activities for the Group's continuing operations generated a net cash inflow of €42 million in the six months ended March 31, 2021 versus €84 million for the six months ended March 31, 2020.

Change in operating working capital. This item represented a net cash inflow of €12 million in six months ended March 31, 2021, versus a €38 million net cash outflow for the comparable prior-year period. This year-on-year improvement was notably due to better collection of trade receivables and a higher amount of sales of trade receivables in France and Spain under the securitization program.

Interest and other financial expenses paid. The amount of interest paid was higher in the six months ended March 31, 2021 than in the six months ended March 31, 2020, reflecting the increase in the Group's average consolidated debt.

Tax paid. Tax paid includes corporate income tax paid in all of the geographic regions in which the Group operates. It also includes the Italian IRAP tax (*Imposta Regionale Sulle Attività Produttive*), the French CVAE tax and State Taxes in the United States.

This item represented a net cash inflow of €2 million in the six months ended March 31, 2021, unchanged from the comparable prior-year period.

Other cash flows from operating activities. Other cash flows from operating activities mainly relate to (i) non- recurring income and expenses recorded under "Non- recurring income and expenses, net" in the consolidated income statement, and (ii) payments made in connection with fair value adjustments recognized in accordance with IFRS as part of the purchase price allocation process for acquisitions.

This item represented net cash outflows of €4 million and €11 million for the six-month periods ended March 31, 2020 and 2021 respectively. The figures for both periods chiefly derived from restructuring costs.

Cash Flows from Investing Activities

Net cash used in investing activities for continuing operations totaled €30 million in the six months ended March 31, 2021 versus €58 million for the six months ended March 31, 2020.

Capital expenditure (net operating investments). Consolidated cash used for purchases of property, plant and equipment and intangible assets (capital expenditure), net of proceeds from sales, decreased year on year from €53 million to €29 million.

For Contract Catering & Services, the figure came to €27 million for the six months ended March 31, 2021 and €51 million for the six months ended March 31, 2020, representing 1.4% and 2.1% of this business line's revenue respectively. The year-on-year decreases reflect the strict discipline the Group has exercised in terms of capital expenditure since the start of the COVID-19 pandemic.

Purchases of and proceeds from sale of non-current financial assets. This item corresponded to a net cash outflow of €1 million in both of the six-month periods under review, and chiefly concerned guarantee deposits paid.

Acquisition/sale of shares in consolidated companies. For the six months ended March 31, 2021, acquisitions and sales of shares in consolidated companies represented a nil amount. In the six months ended March 31, 2020, acquisition/sale of shares in consolidated companies represented a net cash outflow of €4 million, mainly corresponding to earn-out payments relating to acquisitions in India carried out in prior periods.

Cash Flows from Financing Activities

Cash flows from financing activities represented a net cash outflow of €16 million in the six months ended March 31, 2021, compared with a €680 million net cash inflow in the six months ended March 31, 2020.

Purchases of own shares. This item represented a nil amount in the six months ended March 31, 2021. In the six months ended March 30, 2020 they represented a net cash outflow of €21 million, arising from the share buyback program that was launched in 2019 and subsequently suspended.

Proceeds from borrowings. Consolidated cash inflows from proceeds from borrowings totaled €732 million and €231 million in the six-month periods ended March 31, 2020 and 2021 respectively.

For the six months ended March 31, 2021, these proceeds chiefly corresponded to (i) a €225 million government- backed loan, and (ii) €6 million from new securitized receivables.

In the six months ended March 31, 2021, these proceeds mainly corresponded to (i) drawdowns of the full amounts of euro- and US-dollar denominated revolving credit facilities totaling €450 million and €227 million respectively, and €55 million from new securitized receivables.

Repayments of borrowings. Repayments of borrowings led to net cash outflows of €3 million and €215 million in the six-month periods ended March 31, 2020 and 2021 respectively.

The six months ended March 31, 2021 figure primarily corresponds to €201 million in repayments of euro-denominated revolving credit facilities and a €14 million decrease in securitized receivables.

Repayments of borrowings for the six months ended March 31, 2020 mainly concerned securitized receivables.

Repayments of lease liabilities (IFRS 16). Repayments of lease liabilities led to cash outflows of €32 million and €28 million in the six months ended March 31, 2021 and 2020 respectively.

Effect of exchange rate and other changes. In the six months ended March 31, 2021, fluctuations in exchange rates and other changes had an overall €2 million net negative cash impact, compared with a nil impact for the six months ended March 31, 2020.

Increase/(decrease) in net cash and cash equivalents – discontinued operations. This item represented net decreases of €4 million and €6 million for the six-month periods ended March 31, 2021 and 2020 respectively.

Year Ended September 30, 2020 as compared to Year Ended September 30, 2019

Cash Flows from Operating Activities

Operating activities for the Group’s continuing operations generated a net cash inflow of €50 million in the year ended September 30, 2020, versus €287 million for the year ended September 30, 2019. The year-on-year decrease is chiefly attributable to the €192 million decline in EBITDA and the net €93 million negative swing in the cash flow from change in operating working capital compared to the year ended September 30, 2019.

Change in operating working capital. This item represented a net cash outflow of €9 million for the year ended September 30, 2020 versus an €84 million net cash inflow one year earlier. The year-on-year negative swing was primarily due to the fall in business volumes which resulted in a €43 million decrease in outstanding amounts under the receivables securitization program. In addition, there was an unfavorable basis of comparison with the year ended September 30, 2019, when the change in operating working capital was positively impacted in an amount of €47 million by the fact that the CICE tax credit in France was replaced by a reduction in payroll taxes.

Interest and other financial expenses paid. The amount of interest paid fell from €54 million to €24 million for the year ended September 30, 2020, primarily due to (i) the decrease in consolidated debt with the early repayment of the term loan following the sale of Areas in second-half of the year ended September 30, 2019, and (ii) lower interest rates.

Tax paid. Tax paid includes corporate income tax paid in all of the geographic regions in which the Group operates. It also includes the Italian IRAP tax (*Imposta Regionale Sulle Attività Produttive*), the French CVAE tax and State Taxes in the United States.

This item represented net cash outflows of €11 million and €24 million in the years ended September 30, 2020 and 2019 respectively. The year-on-year decrease was mainly attributable to (i) tax refunds received in 2020 (refunds of payments on account made in the year ended September 30, 2019) amounting to €5 million in France and €1 million in the United States, and (ii) the fact that the Group did not have to pay the BEAT tax in the United States for the year ended September 30, 2020.

Other cash flows from operating activities. Other cash flows from operating activities mainly relate to (i) non-recurring income and expenses recorded under "Non-recurring income and expenses, net" in the consolidated income statement, and (ii) payments made in connection with fair value adjustments recognized in accordance with IFRS as part of the purchase price allocation process for acquisitions.

This item represented net cash outflows of €17 million and €22 million for the years ended September 30, 2020 and 2019 respectively, and essentially consisted of restructuring costs.

Cash Flows from Investing Activities

Net cash used in investing activities for continuing operations totaled €99 million in the year ended September 30, 2020 and €123 million in the year ended September 30, 2019.

Capital expenditure (net operating investments). Consolidated cash used for purchases of property, plant and equipment and intangible assets (capital expenditure), net of proceeds from sales, decreased year on year from €114 million to €89 million.

For Contract Catering & Services, the figure came to €85 million for the year ended September 30, 2020, compared with €111 million for the year ended September 30, 2019. As a percentage of the business’s revenue this item decreased from 2.3% to 2.1%, reflecting the continued rigorous selection of capital expenditure projects.

Net cash used for capital expenditure by the Corporate & Other segment was stable, coming in at €4 million for both fiscal years.

Purchases of and proceeds from sale of non-current financial assets. This item corresponded to a net cash outflow of €3 million in the year ended September 30, 2020 and concerned deposits paid in the United States.

For the year ended September 30, 2019, “Purchases of and proceeds from sale of non-current financial assets” represented a net cash inflow of €7 million and related to the sale of interests in a number of start-up companies purchased in prior periods.

Acquisition/sale of shares in consolidated companies. For the year ended September 30, 2020, acquisitions and sales of shares in consolidated companies represented a net cash outflow of €7 million, and primarily corresponded to earn-out payments relating to acquisitions in the United Kingdom and India carried out in prior periods.

For the year ended September 30, 2019, this item represented a net cash outflow of €16 million, mainly corresponding to earn-out payments relating to acquisitions in the United States and India carried out in prior period.

Cash Flows from Financing Activities

Cash flows from financing activities represented a net cash inflow of €70 million in the year ended September 30, 2020 versus a net cash outflow of €1,381 million in the year ended September 30, 2019.

Movements in share capital of the parent. In the year ended September 30, 2020, the Company repurchased €21 million worth of Elior Group shares, principally under the share buyback program launched in 2019. In the year ended September 30, 2019, the Company repurchased €50 million worth of Elior Group shares under the same share buyback program.

Proceeds from borrowings. Consolidated cash inflows from proceeds from borrowings totaled €936 million and €81 million in the years ended September 30, 2020 and 2019 respectively.

In both of the fiscal years under review these proceeds mainly corresponded to drawdowns on euro- and US dollar-denominated revolving credit facilities.

Repayments of borrowings. Repayments of borrowings led to cash outflows of €736 million and €1,379 million in the years ended September 30, 2020 and 2019 respectively.

The figure for the year ended September 30, 2020 principally corresponds to the repayment of amounts used under revolving facilities.

In the year ended September 30, 2019, this item primarily concerned (i) the repayment in advance (with no early repayment penalties) of €654 million and $344 million of the Group's term loan facilities, and $100 million in bond debt, and (ii) the repayment of amounts drawn down on revolving facilities.

Effect of exchange rate and other changes. In the year ended September 30, 2020, fluctuations in exchange rates and other changes had an overall €3 million net negative cash impact, versus a €9 million negative impact in the year ended September 30, 2019.

Increase/(decrease) in net cash and cash equivalents – discontinued operations. This item represented a €55 million net cash outflow in the year ended September 30, 2020 versus a net inflow of €1,224 million one year earlier. The figure for the year ended September 30, 2020 includes the impact of a €48 million purchase price adjustment paid to PAI Partners in relation to the sale of Areas. The figure for the year ended September 30, 2019 chiefly corresponded to transactions related to the sale of Areas.

Year Ended September 30, 2019 as compared to Year Ended September 30, 2018

Cash Flows from Operating Activities

Operating activities generated a net cash inflow of €287 million in the year ended September 30, 2019, versus €181 million in the year ended September 30, 2018. The year-on-year increase is chiefly attributable to the rise in EBITDA and the fact that the cash inflow from change in operating working capital was €81 million higher than in the year ended September 30, 2018.

Change in operating working capital. This item improved in the year ended September 30, 2019, representing a net cash inflow of €84 million against €3 million for the previous fiscal year. The year-on-year increase chiefly reflects better management of operating working capital in the Contract Catering business and a €48 million positive impact resulting from the CICE tax credit in France being replaced by a reduction in payroll taxes.

Interest and other financial expenses paid. The amount of interest paid was slightly higher than in the year ended September 30, 2018, reflecting the increase in average consolidated debt in the first half of the year ending September 30, 2019, although this negative effect was partly offset in the second half following the debt repayments carried out during that period.

Tax paid. Tax paid includes corporate income tax paid in all of the geographic regions in which the Group operates. It also includes the Italian IRAP tax (Imposta Regionale Sulle Attività Produttive), the French CVAE tax and State Tax in the United States.

This item represented a net cash outflow of €24 million in the year ended September 30, 2019, versus €21 million in the year ended September 30, 2018. The year-on-year increase principally relates to the United States, where the Group received a €3 million refund in 2018 for corporate income tax payments on account that it had overpaid in 2016-2017.

Other cash flows from operating activities. Other cash flows from operating activities mainly relate to (i) non-recurring income and expenses recorded under "Non-recurring income and expenses, net" in the consolidated income statement, and (ii) payments made in connection with fair value adjustments recognized in accordance with IFRS as part of the purchase price allocation process for acquisitions.

This item represented net cash outflows of €23 million and €22 million for the years ended September 30, 2018 and 2019 respectively, and essentially consisted of restructuring costs.

Cash Flows from Investing Activities

Net cash used in investing activities totaled €368 million in the year ended September 30, 2018 and €123 million in the year ended September 30, 2019.

Capital expenditure (net operating investments). Consolidated cash used for purchases of property, plant and equipment and intangible assets (capital expenditure), net of proceeds from sales, decreased year on year from €162 million to €114 million.

The figure for Contract Catering & Services came to €111 million for the year ending September 30, 2019, compared with €152 million for the year ended September 30, 2018, representing 2.3% and 3.1% of the business's revenue respectively. The year-on-year decrease reflects better capital expenditure management, particularly in France but also in international operations.

Net cash used for capital expenditure by the Corporate & Other segment totaled €10 million in the year ended September 30, 2018 and €4 million in the year ended September 30, 2019.

Purchases of and proceeds from sale of non-current financial assets. The net cash inflow recorded for this item in the year ended September 30, 2019 primarily relates to the sale of interests in a number of start-up companies purchased in prior periods.

For the year ended September 30, 2018, "Purchases of and proceeds from sale of non-current financial assets" represented a net cash outflow of €4 million in the year ended September 30, 2018 and mainly related to (i) acquisitions of non-controlling interests in start-ups whose activities are related or complementary to the Group's businesses, and (ii) deposits paid to concession grantors.

Acquisition/sale of shares in consolidated companies. For the year ended September 30, 2019, acquisitions and sales of shares in consolidated companies represented a net cash outflow of €16 million and primarily corresponded to earn-out payments relating to acquisitions in the United States and India carried out in prior periods.

For the year ended September 30, 2018, this item represented a net cash outflow of €202 million and chiefly concerned the acquisitions of (i) CBM Managed Services and Bateman in the United States, and (ii) a portion of the shares held by minority shareholders in Elior North America, which raised the Group's interest in this subsidiary to 92% as of September 30, 2018.

Cash Flows from Financing Activities

Cash flows from financing activities represented a net cash inflow of €182 million in the year ended September 30, 2018 versus a net cash outflow of €1,381 million in the year ended September 30, 2019.

Movements in share capital of the parent. In the year ended September 30, 2019, the Company repurchased €50 million worth of Elior Group shares under the share buyback program launched in July 2019.

For the year ended September 30, 2018, movements in share capital represented a net cash inflow of €15 million, corresponding to the amounts received in connection with the capital increase carried out following the purchase of Elior Group shares by employees under the international employee share ownership plan (the "Future Plan") launched in May 2018.

Proceeds from borrowings. Consolidated cash inflows from proceeds from borrowings totaled €216 million and €81 million in the years ended September 30, 2018 and 2019 respectively.

In both of the fiscal years under review these proceeds mainly corresponded to drawdowns on euro- and US dollar-denominated revolving credit facilities.

Repayments of borrowings. Repayments of borrowings led to net cash outflows of €12 million and €1,379 million in the years ended September 30, 2018 and 2019 respectively.

In the year ended September 30, 2019, this item primarily concerned (i) the repayment in advance (with no early repayment penalties) of €654 million and $344 million of the Group's Term Loan facilities, and $100 million in bond debt, and (ii) the repayment of amounts drawn down on Revolving Facilities.

In the year ended September 30, 2018, this item mainly related to repayments of finance lease liabilities for an aggregate €10 million.

Effect of exchange rate and other changes. In the year ended September 30, 2019, fluctuations in exchange rates and other changes had an overall €9 million net negative cash impact, versus a €24 million negative impact in the year ended September 30, 2018

Net Capital Expenditures

The Group's net capital expenditures have primarily consisted of amounts paid as consideration for property, plant and equipment and intangible assets used in operations. The following table sets forth the Group's net capital expenditures for the periods indicated as derived from the Group's cash flow statement.

	For the year ended September 30,			For the six months ended March 31,	
	2018	2019	2020	2020	2021
			(in € millions)		
Net capital expenditures	162	114	89	53	29

Net capital expenditure corresponds to amounts paid as consideration for property, plant and equipment and intangible assets used by the Group's contract catering and services operations as well as by support and corporate activities, less the proceeds received from sales of these types of assets. This net amount represents the sum of the following items as presented in the consolidated cash flow statement: (i) purchases of property, plant and equipment and intangible assets and (ii) proceeds from sale of property, plant and equipment and intangible assets.

For the years ended September 30, 2018, 2019 and 2020, net capital expenditures as a percentage of consolidated revenue was 3.3%, 2.3% and 2.2%, respectively. Our goal is to maintain this trajectory of disciplined capital expenditures within a range of 2.2% to 2.5% of consolidated revenue. We intend to execute this strategy through improving contract terms, seeking a x3 cash-on-cash (defined as a ratio of operating margin plus depreciation divided by total capital expenditures over the life of the contract (excluding selling, general and administrative costs) and a payback achieved at half life of the contract.

Off-Balance Sheet Commitments

The Group's material off-balance sheet commitments are described below.

Guarantees Given/Received

The Group also grants and receives guarantees in respect of assets and liabilities in relation to acquisitions and divestments of businesses, on terms and conditions which are usual for such transactions. Where the guarantees granted by the Group are subject to valid claims not yet settled at the reporting date, a provision is recorded in the balance sheet.

As of September 30, 2020 and September 30, 2019, the total guarantees given by the Group were €169 million and €163 million, respectively.

Significant Accounting Policies

For a description of the Group's significant accounting policies and critical accounting estimates see Note 6 to the Consolidated Financial Statements for the year ended September 30, 2020 incorporated by reference into in this Offering Memorandum.

Outlook

This section includes forward-looking statements. See "*Forward-Looking Statements*."

This discussion of outlook set forth below includes forward-looking statements that have been prepared by, and are the responsibility of, management and represent, to the best of management's knowledge and opinion, the Issuer's expected course of action. They are based on management's current beliefs, expectations, assumptions and business plan and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from the trends and objectives described. No assurance can be given that the trends and objectives described below will occur, continue or be achieved. These forward-looking statements involve assessments about matters that are inherently uncertain and actual results may differ for a variety of reasons including those described in the "*Forward-Looking Statements*" and "*Risk Factors*" sections of this Offering Memorandum. No assurance can be given that actual results will track those described in the forward-looking statements below.

The outlook presented below do not constitute forecast data or estimates of consolidated profit but instead are based on the Group's strategic goals and action plans. This data, assumptions and estimates may change over time or be modified due to uncertainties related to the economic, financial, competitive and regulatory environment as well as other factors. In addition, if any of the risks described under "*Risk Factors*" of this Offering Memorandum were to actually occur, they could have an impact on its business, results of operations, financial position and/or outlook, and could therefore jeopardize its ability to achieve the objectives presented below. The Group cannot give any assurance or guarantee that it will achieve the objectives described in this section.

Mid-Term Outlook

We are staying the course we set ourselves when we launched our strategic plan, New Elior, and are reinforcing our differentiating factors in all our markets while accelerating our transformation and the rollout of our new offers to emerge more competitive from this crisis and reaffirm our leadership and our ability to drive innovation in all our businesses.

There are still countless opportunities in our markets. Our teams, both in catering and services, are more mobilized than ever, ready to take up the challenges ahead. We are very confident in the future of our businesses because we now have the talent, know-how and organization to take advantage of the upcoming recovery. In the mid-term, the anticipated rebound after the crisis and the additional revenues generated by our new offerings will enable us to return to robust growth and improve our pre-crisis margins.

Outlook for the year ending September 30, 2021

After lockdown measures eased in mid-May 2020, we saw a continuous improvement in our activities. As a second wave of lockdowns hit Europe in October, we saw that COVID-19 will continue to create persistent uncertainty in the coming months. The recovery in economic activity is expected to be gradual and bumpy throughout the year ending September 30, 2021, and at varying rates depending on how the pandemic plays out in the countries where Elior operates.

Based on all known variables at this point, the assumptions for the year ending September 30, 2021 that Elior is using to plan and make its decisions are as follows:

Business & Industry market will depend on vaccination campaigns, which will dictate when public health restrictions are relaxed. Relaxed restrictions will determine the extent to which our volumes rebound. It is a seasonal market, so we are unlikely to see a material recovery before September.

The Education market, in France, will be affected by stricter health protocols imposed in late March. The current health protocols have led to volumes dropping without warning, which makes adjusting costs difficult. In the US, depending on the school district, back-to-school is expected to resume earlier than usual, while some schools may continue to use a hybrid model of in-person and online learning.

The Health & Welfare market should remain relative stable through the second half. The postponement of elective surgery, closure of hospital cafeterias, and slow recovery in nursing home occupancy rates will remain a drag on our volumes. Our services business in France is expected to remain on the right track, notably thanks to an adapted offering well-suited to health and safety requirements.

Wherever possible, we will continue to use the available government furlough and business support programs and will further adapt our cost structure to protect our profitability.

Cost discipline, tight cash management and reinforced selling, general and administrative cost discipline will also continue in full force, alongside the restructuring measures already undertaken.

Considering the timelines announced for an easing of restrictions and our businesses' inherent seasonality, our performance in the second half will depend mainly on whether the conditions are in place for a recovery in September.

INDUSTRY

Overview

We are a leading international player in contract catering & services, serving 4 million customers every day at approximately 22,700 restaurants and points of sale across the world, and looking after 2,300 sites for clients in France through our services offerings. We have over 105,000 employees based in six main countries in Europe and North America, and a small presence in Asia. Our mission is to be a responsible caterer and facility management provider aiming for sustainable growth.

Our contract catering business serves three key client markets: corporate entities and government agencies (Business & Industry), educational establishments (Education), and health and welfare establishments (Health & Welfare). We operate our contract catering activities in our traditional markets of France, Spain (including Portugal), Italy and the United Kingdom as well as in the United States since 2013.

In every contract catering market we serve, we seek to tailor our services to meet each client and guest profile. In the Business & Industry market, our business model has historically been focused on providing outsourced contract catering services at our customers' premises, where we prepare and serve meals at corporate sites (SMEs, blue chip), government offices, museums, stadiums and on board trains. In accordance with the size and requirements of the business, we deploy new operating models such as leveraging on our central production units (central kitchen) that we already used mainly in the education market as well as innovations and digital solutions to facilitate meal delivery. For example, we have developed applications for pre-ordering and paying for meals, which reduce wait times during peak periods. Another example of innovation is Food360, which allows an employee to order food on an application and receive the quality and balanced dish in the workplace smart refrigerator at the time desired. In the Education market, we operate the largest kitchen infrastructure in Europe, which allows us to combine high productivity with a local presence. We use local and certified organic food in our homemade recipes to promote healthy eating habits among our young guests. We provide catering and services for both public and private education from early childhood, day-care, school (elementary and higher), through to university. In the Health & Welfare market, we provide catering and services for hospitals, clinics, retirement homes and day-care centers for disabled, elderly and dependent (including home delivery). We tailor catering solutions to patients' pathologies, adapting textures and personalizing nutritional protocols.

Based on revenue generated in the year ended September 30, 2020, we estimate that we are the second-largest pure player in contract catering & services worldwide, with leading market positions in Europe and a growing presence in the United States.

The majority of our services business is conducted in France and involves the provision of soft facility management solutions, notably cleaning, reception, concierge, light maintenance and grounds maintenance services. Through this business, we provide public and private-sector institutional clients with a wide array of outsourced solutions ranging from cleaning and reception services through to the management of offices, hotels, shopping malls, leisure and vacation parks and office and apartment buildings. We estimate that we are the sixth-leading cleaning services provider in France and the number one provider of outsourced cleaning and hospitality services for the French healthcare sector.

In the year ended September 30, 2020, we generated total consolidated revenue of €3,967 million, of which €1,778 million was generated in France and €2,182 million internationally, with €1,620 million from the Business & Industry market, €1,149 million from the Education market and €1,198 million from the Health & Welfare market. Our largest market by revenue is France, followed by the US.

In the year ended September 30, 2019, we generated total consolidated revenue of €4,923 million, of which €2,212 million was generated in France and €2,689 million internationally, with €2,256 million from the Business & Industry market, €1,415 million from the Education market and €1,252 million from the Health & Welfare market.

In the year ended September 30, 2019, we generated Adjusted EBITA from continuing operations of €176 million of which €109 million in France and €90 million internationally.

We are a listed company with a market capitalization of €1.2 billion as of June 28, 2021.

Contract Catering market

In the countries and sectors where we are present, we estimate that the contract catering market (also referred to as outsourced catering) represents a potential of €124 billion as of 2019. We estimate that the outsourcing rate is 43% which implies that the size of our outsourced catering market is €53 billion. We believe that the market for outsourced contract catering has maintained steady growth. In Europe we estimate that the outsourcing rate is 49% which implies that the size of our outsourced catering market is €21 billion while in the U.S. we estimate that the outsourcing rate is 40% which implies that the size of our outsourced catering market is €32 billion.

Historically, the growth of a given segment depends on (i) changes in the number of meals served, (ii) inflation and changes in per-meal prices and (iii) changes in outsourcing rates, i.e. the proportion of clients who outsource their catering services rather than managing them in-house. We expect outsourcing levels to increase in some Education and Health & Welfare market segments where the in-house management model still dominates in several countries. We expect the outsourced catering market to continue to grow globally, with different growth rates for the various market segments as some segments will be more affected than others by the COVID-19 pandemic.

The contract catering market is characterized as a local market with a fairly limited number of multi-country invitations to tender as these do not generate operational synergies. It is a specific market, with invitations to tender for catering services rarely combined with other types of services, particularly in Continental Europe, the main exception being in the health & welfare sector.

Before the COVID-19 crisis it was a market that had low barriers to entry, apart from in the state education sector, where operators in most countries need to invest in central kitchens. The impact of the crisis on the Business & Industry market has led the Group to speed up its transformation process and the diversification of its offerings. In addition, stricter health and safety protocols will favor large players.

COVID-19 pandemic

The COVID-19 pandemic is an ongoing global pandemic of a contagious disease caused by the severe acute respiratory syndrome coronavirus 2 (or SARS-CoV-2) ("**COVID-19**"). As of May 19, 2021, more than 164 million cases have been confirmed, with more than 3.4 million deaths attributed to COVID-19, making it one of the deadliest pandemics in history. The COVID-19 pandemic has resulted in significant global social and economic disruption, including the largest global recession since the Great Depression. Authorities worldwide have responded globally to contain the spread of the disease by implementing international and regional travel bans, lockdowns, quarantines and business closures which impacts the number of meals served across the countries and sectors where we are present, in particular in our Business & Industry market due to office closures and the increase in homeworking in white collars sites, and in Education due to school closures and home schooling. Healthcare is impacted to a lesser extent and mainly relates to low cafeterias attendance due to restrictions imposed in Hospitals as a result of strict social distancing measures to contain the spread of the coronavirus.

Many establishments began reopening as restrictions eased across the countries where we operate but with a significant decrease in office and production facility attendance and to a lesser extent lower attendance across schools and universities. In addition, restrictions are still in place resulting in fewer catering events, lower cultural attraction attendance and limited travel all impacting the number of meals served.

We believe the pace of recovery will vary depending on the sector and geography. For instance a slower recovery in expected in the Business & Industry market especially for white collars sites due to the continued government imposed restrictions on office occupancy rates and for the trains on board catering segment due to the reduction of business travelers. Meanwhile blue collar is expected to recover at a more progressive pace. In the US, a moderate recovery is expected for the catering events and cultural attractions while social distance measures to contain the spread of the coronavirus will remain in place in the Corrections segment impacting the pace of recovery. In Education in both Europe and the US we expect a rapid recovery for nurseries, primary and secondary schools and slow recovery in higher education. In Health & Welfare, in Europe and the US we expect a fast recovery in short stay for patient feeding in both private & public sectors, in addition to senior home recovery and but a more moderate pace of recovery in cafeterias due to the social distance measure put in place.

The impact of the crisis has led to an acceleration in the long-term trends we have observed across our markets over the past few years changing eating habits, consumers' high expectations in terms of food quality and nutrition and an increasing focus on food safety, hygiene and traceability. The COVID-19 pandemic has heightened demand for more flexible, grab & go and digitally enabled catering solutions and offers that are compatible with COVID-19 health and safety guidelines to prevent dining areas from becoming too busy, in addition to creating new offerings to respond to their new consumption patterns. The current health crisis has also increased consumers attention to sustainability with a focus on local sourcing, the fight against food waste and the role of caterers in the community. Overall contracting catering operators are adjusting their business models and offerings to adapt to the changing market.

In most countries the market is structured around four main corporate profiles: international groups, like Elior; large companies with national coverage; regional local players; and players specialized in a particular segment.

It is a market in which guests' expectations change in line with trends in society. The current health crisis has accelerated this underlying movement, with consumers paying increasing attention to sustainability (local sourcing, the fight against food waste, the role of caterers in the community, etc.), nutritional balance and transparency.

Business & Industry

Clients in the Business & Industry market for contract catering consist mainly of employers in both the public and private sector seeking to outsource food services for their employees. Our clients belong to various sectors, from manufacturing to financial services, and are of all sizes, from SMEs to international corporations. The Business & Industry market also includes clients in the defense (armed forces) and correctional sectors (penitentiaries), transport such as on-board rail catering (Trenitalia) and sit-down dining and snack options to enjoy at leisure venues such as stadiums (Murrayfield), zoos, museums and prestigious cultural sites (the Vatican).

In the European countries in which we operate, we estimate that the size of the Business & Industry market represents a potential of approximately €12 billion as of 2019. We estimate that the outsourcing rate is 78% which implies that the size of our outsourced catering market is approximately €10 billion representing approximately 46% of the aggregate outsourced catering market in the European countries in which we operate. Additionally, we estimate that the Business & Industry market in the US segments where we operate represents a potential of approximately €18 billion as of 2019 of which 65% is currently outsourced implying a market size of €12 billion.

Traditionally, the business model used in the Business & Industry market tends to be tailored to the specific needs of a client and catering concepts range from full-service dining rooms to self-service cafeterias and fast food and snack areas. Caterers provide meals that are for the most part prepared directly on-site by their own staff in kitchen areas that are made available by clients. The Business & Industry market operates on the basis of a business-to-business model, where the direct client of the caterer is the company or private or public institution that owns or leases from third parties the space in which catering services are to be provided.

We expect the COVID-19 pandemic to be a catalyst for certain long-term changes to the traditional business model in the Business & Industry market. The reorganization of work spaces and ways of working will have a lasting impact on consumption patterns. In the private sector, high-street brand and grab and go concepts, which were already popular before the crisis has been a faster pace of development of new services based on faster penetration of digital technology (click & collect and take-away solutions, etc.), enabling catering services to cover wider areas and broader timeslots. We expect an increasing trend towards working from home and overall lower office attendance especially in white collar sites where flexible working between home and office is expected to become the norm. As the catering requirements of our clients adjust to lower a number of required meals the classic on-site production model is expected to evolve depending on the size of the site. As a result we have developed and launched new asset-light solutions with connected fridges and delivery of remotely produced food to more profitability address the lower end of the market of 150 to 250 meals per day while for larger sites on-site production is expected to remain the main model. For the larger sites we expect the on-site production model to co-exist with a delivery model to address lower office footfall for certain days of the week as we expect the number of consumers pre-ordering for multiple-days to be taken either taken from the office or delivered at home to increase. We are well positioned to respond to the changing dynamics within our Business & Industry market with the ability to leverage off our extensive central kitchen model, our modified atmospheric packaging knowhow enabling longer shelf life and delivery capacities including the recent acquisition of Nestor in France to capture the increasingly relevant small and medium-sized addressable market. Since the first lockdown we have accelerated the repositioning of our offer towards an asset-light model (connected fridges), combining digitally enabled services (ordering, click & collect) and a culinary offer revised for larger sites to keep up with consumer trends focused on health and nutritional transparency to compensate the decrease of employees onsite with an improved capture rate.

Business & Industry contracts with private entities are generally for a fixed term, though generally speaking contract duration varies according to negotiation. If however significant capital expenditures are required from the caterers, contracts tend to have a fixed term of three to five years. Contracts with public entities also tend to be of a three- to five-year duration. However, in situations where significant capital expenditures are necessary, caterers typically will negotiate a clause that will indemnify the caterer for the unamortized value of any capital expenditures at the time of a contract termination by a client. Contracts in the Business & Industry market can be priced based on a profit and loss model, a cost-plus model or a hybrid of the two. For profit and loss contracts, pricing is determined in advance on a per meal basis that is periodically adjustable based on a pre-agreed pricing index for food, staff and services. Caterers are typically protected against losses resulting from under-attendance by a fee structure that is variable based on attendance levels. For cost-plus contracts, clients pay a fixed management fee in addition to the actual costs of raw materials and other overhead.

Generally, clients are invoiced based on the difference between the amounts paid by a guest at the catering site and the contract price.

Education

The Education market comprises three main segments (pre-school; elementary, middle and high schools; and higher education) and our clients in this market include both state-run and private establishments. Our historic clients in the Education market are local authorities, which for a long time have outsourced their catering to organizations that can guarantee a high level of food safety and constant production volumes, with the necessary logistics capabilities.

Educational institutions vary in size and resources and therefore in their food service needs. Smaller sites, typically public primary schools, generally require meals that are prepared off-site and are delivered to the school for final preparation. Larger institutions, such as private schools, public secondary schools and universities, tend to have sufficient space for kitchens where food can be prepared or for other dining facilities such as fast food areas or snack bars.

In the European countries in which we operate, we estimate that the size of the Education market represents a potential of approximately €14 billion as of 2019. We estimate that the outsourcing rate is 42% which implies that the size of our outsourced catering market is approximately €6 billion representing approximately 48% of the aggregate outsourced catering market in the European countries in which we operate. Additionally, we estimate that the Education market in the US segments we operate in represents a potential of approximately €36 billion as of 2019 of which 34% is currently outsourced implying an outsourced catering market size of €12 billion. We believe that the Education market represents strong growth potential in particular for secondary schools and universities, with outsourcing rates still relatively low in both in Europe and US.

We expect to see a further acceleration in outsourcing in both Europe & the US as a result of the pandemic driven by public funding constraints (and the necessity to save costs) and adapting new food service solutions to COVID-19 lessons (with an increased focus on digital & mobile solutions, wellness and nutrition). We expect that activity will quickly resume to pre-covid levels with limited changes and no anticipated volume decrease. In higher education food delivery platforms have significantly increased their activity and it is expected that delivery remain at a higher level than pre-covid along with the increase use of mobility & digital services. The COVID -19 pandemic has highlighted the social role of food service at schools and distribution of meals has continued in several countries (Spain, US, UK) even during lockdown and we expect that more attention to food will be given by families & public authorities leading to increasing demand for healthiness, transparency and menu personalization and the roll out of specific regulations such as the free lunch program in the UK. In higher education food delivery platforms have significantly increased their activity and it is expected that delivery remain at a higher level than pre-covid along with the increase use of mobility & digital services.

Traditionally, the Education market has differentiated itself from other markets in the contract catering industry due to the extensive use of central kitchens. In order to serve clients with limited on-site space for meal preparation, contract caterers have been given the opportunity to operate off-site central kitchens, from which large quantities of meals are prepared and delivered warm directly to several sites or kept chilled (or frozen) for delivery and consumption at a later date. Central kitchens operated by contract caterers are either built by public entities themselves to supply public schools within one or a group of municipalities and are operated under contract by a private contact caterer, or are alternatively owned or leased from third parties. The contract caterer is responsible for staffing the kitchen and for supplying cookware and utensils. The Education market generally requires a higher level of capital expenditures when the central kitchen is owned by the caterer, because large cooking equipment, such as ovens and refrigerators, as well as packaging equipment need to be purchased and maintained by the caterer along with crockery and utensils.

The terms of the contracts in the Education market vary based on the nature of the institution and on the country. Contracts with private entities tend to have an indefinite term, although contracts requiring significant capital expenditures generally have fixed durations of three to five years. Contracts with public entities tend to have a finite term, ranging from one year to up to 15 years depending on the nature of services provided and the level of capital expenditures required. In France in particular, contracts for the operation of a publicly owned central kitchen are viewed as a delegation of public service (*délégation de service public*) and are subject to special regulations. Typically, a fixed price is set per meal served that may be adjusted according to attendance, and clients are invoiced on a monthly basis.

Health & Welfare

Clients in the Health & Welfare market for contract catering include public and private healthcare and elder care facilities, including clinics, hospitals, rehabilitation centers and facilities for the care of the elderly and the disabled. Meals may either be prepared on-site by contract caterers or prepared off-site at central kitchens (although the use of central kitchens is less significant than in the Education market) or by third parties.

Due to the nature of the setting and the needs of the patients, services provided to the Health & Welfare market tend to include other support services for healthcare facilities. For example, many contract caterers not only prepare meals on-site, but also arrange for the delivery of meals directly to patients in their rooms. Caterers also tailor meals to fit specific dietary guidelines and nutritional concerns for the ill or elderly. Contract terms in the Healthcare market generally resemble those in the Education market. Pricing is determined on a per meal or per day basis and clients are invoiced on a monthly basis.

In the European countries in which we operate, we estimate that the size of the Health & Welfare market represents a potential of approximately €17 billion as of 2019. We estimate that the outsourcing rate is 33% which implies that the size of our outsourced catering market is approximately €5 billion representing approximately 26% of the aggregate outsourced catering market in the European countries in which we operate. Additionally, we estimate that the Health & Welfare market in the US segments we operate in represents a potential of approximately €27 billion as of 2019 of which 30% is currently outsourced implying an outsourced catering market size of €8 billion. We believe that the Health & Welfare market represents strong growth potential notably in France and the United States, due to general population aging, the market's still relatively low outsourcing rates, and the further development of value-added sub-segments, such as home meal deliveries, hospital after-care services, and new services related to an expected trend towards higher-end offerings in elder care facilities.

Following the COVID-19 pandemic we expect that activity and operations will remain fairly similar to pre-COVID-19 in the short stay segments. The development of ambulatory services could however lead to a reduction of nights in the short stay segment which will limit growth prospects in hospitals and clinics and lead to a change of operating models moving from on-site to central production units. In long stay and senior care homes we expect new models of facilities to emerge partly through public funded programs following the trauma of COVID-19 which is expected to create new opportunities for an acceleration of outsourcing. Demand for meals delivered at home for seniors have slowed-down during COVID-19 but is expected to accelerate due to demographics and the necessity to delay entry in care homes for elderlies with no major health issue.

Services in France

France is our principal geographic market for our Services business where we believe we are the number one provider of services in Healthcare. Health & Welfare is the market that offers the most opportunities for leveraging synergies between catering and services. In the Services business, an outsourcer's offering often comprises many high added-value services, including specialized cleaning and a wide range of hospitality services such as concierge services, pre- and post-hospitalization support.

We estimate that the French cleaning services market generated over €25 billion in revenue in 2017, around €12 billion of which derived from the outsourced segment of the market, representing an outsourcing rate of approximately 48%. We also estimate that sales generated by the outsourced cleaning services market in France are still growing at an annual rate of between 2% and 3%. On the basis of research carried out by external agencies, we consider that specialized cleaning services represented 40% of the overall revenue generated by the cleaning services market in France in 2016, versus 60% for standard and office cleaning services.

We believe that the French cleaning services market is highly fragmented, with around 45,000 companies referenced. Players generating less than €100 million in revenue together account for almost 65% of the market's total revenue. Our Services business faces competition from large, multinational providers such as Sodexo and ISS, as well as from smaller, regionally-based service providers.

Our Geographic Markets

France

We estimate that the French outsourced catering market is worth approximately €7 billion as of 2019. We believe this represented approximately 38% of the overall in-house and outsourced catering market, which we estimate to have been worth approximately €19 billion in the year 2019. As a whole, we believe that the outsourced market has benefited from sustained growth of 2% a year since 2015.

Spain

We estimate that the Spanish outsourced catering market is worth approximately €2 billion as of 2019. We believe that this represented approximately 47% of the overall in-house and outsourced catering market, which we estimate to have been worth approximately €4 billion in 2019. From 2015 to 2019, we estimate that sales in the Spanish outsourced catering market grew at a compounded annual rate of approximately 0.5%. Outsourced catering rates in Spain are mixed. We estimate that the outsourcing rate in the Business & Industry, Education and Health & Welfare are approximately 52%, 64% and 37%, respectively.

Italy

We estimate that the Italian outsourced catering market is worth approximately €4 billion as of 2019. We believe this represented approximately 64% of the overall in-house and outsourced catering market, which we estimate to have been worth approximately €6 billion in 2019. From 2015 to 2019, we estimate that sales in the Italian outsourced catering market grew at a compounded annual rate of approximately 0.2%. We believe that a distinguishing characteristic of the Italian catering market is that while there are high levels of outsourcing in workplaces (approximately 78% of Business & Industry sales) and in the Education market overall (approximately 70% of Education sales), there remains room for growth in the Healthcare sector, where we estimate that 49% catering sales were outsourced in 2019.

United Kingdom

We estimate that the UK outsourced catering market is worth approximately €7 billion as of 2019, or approximately 56% of the overall in-house and outsourced catering market, which we estimate to have been worth approximately €12 billion in 2019. From 2015 to 2019, we estimate that sales in the UK outsourced catering market grew at a compounded annual rate of approximately 2.3%. We believe the British outsourced catering market is very well developed in the Business & Industry market, with an outsourcing rate of approximately 85%. We believe however that outsourcing remains less developed in Education (with an approximate 37% outsourcing rate) and Healthcare (with an approximate 35% outsourcing rate).

United States

We estimate that the US outsourced catering market is worth approximately €32 billion as of 2019, or approximately 40% of the overall in-house and outsourced catering market, which we estimate to have been worth approximately €81 billion in 2019. From 2015 to 2019, we estimate that sales in the US outsourced catering market grew at a compounded annual rate of approximately 5.9%. The US market represents a major growth driver for us especially where outsourcing remains less developed in Education (with an approximate 34% outsourcing rate) and Healthcare (with an approximate 30% outsourcing rate). We believe that the U.S. outsourced catering market is particularly well developed in the Business & Industry market with an outsourcing rate of approximately 65%.

Competitive dynamics

In the countries where we operate, contract catering is characterized by a highly competitive environment, with a large number of small and mid-size regional or specialized operators competing with a few national and international players. In our markets, critical mass is an essential competitive factor, as it creates the ability to offer prices that match market expectations. At the same time, large players such as Elior are better equipped to compete for major contracts.

The COVID-19 pandemic has created some opportunities for new entrants particularly in the Business & Industry market with the emergence of start-ups from the foodtech sector proposing asset-light models (connected fridges), remote food production and digitally enabled service delivery. The success of delivery platforms during the COVID-19 pandemic such as Deliveroo and Uber Eats has mainly occurred in the B2C space and we do not expect they will have a major impact on the core B2B space.

We believe that a number of smaller-sized players may struggle financially following the impact of the pandemic and have limited investment capacity to transform and adapt to the post-COVID-19 environment. The higher number of stricter health and safety standards resulting from the crisis requires resources and expertise that larger groups tend to have. We believe these factors could drive a consolidation trend in the sector.

France

We believe that we are the number one leading player in the French contract catering market (based on outsourced sales in 2019). The French market is relatively concentrated, with the three largest players accounting for 68% of its overall sales in 2019. The Group’s main competitors in the French contract catering market are large multinationals, such as Sodexo and Compass, but we also face competition from smaller national caterers such as Api Restauration, Dupont and RestAlliance.

Spain

We believe that we are the largest contract caterer in Spain based on 2019 revenue, with an estimated 22% market share. We believe the Spanish market remains fragmented, with the top three contract caterers accounting for approximately 49% of all outsourced catering sales in 2019. In Spain, as in France, we face competition in each of our markets from large companies such as Sodexo, Compass and Aramark.

Italy

We believe that we are the largest contract caterer in Italy based on 2019 revenue, with an estimated 14% market share. The Italian contract catering market is still fragmented. We estimate that the top three contract caterers in Italy accounted for approximately 34% of all outsourced catering sales in 2019. In Italy, although we face competition in each of these sectors from large companies such as Sodexo and Compass, we also compete with large domestic Italian cooperatives such as CAMST and CIR and much smaller, locally based companies.

United Kingdom

We believe that we are the fourth-largest contract caterer in the United Kingdom based on 2019 revenue, with an estimated 6% market share. We believe that the British market is less consolidated than the French market, with the top three contract caterers accounting for approximately 47% of all outsourced catering sales in 2019. As in our other geographic markets, we face competition in each of the British contract catering segments from large companies such as Sodexo, Compass and Aramark. We also face competition from national catering companies and from smaller, local catering companies and from facilities management companies that also provide catering services.

United States

We believe that we are the fifth-largest contract caterer in the United States based on 2019 revenue, with an estimated 3% market share. The US contract catering market is largely consolidated, with the top three contract caterers accounting for approximately 66% of all outsourced catering sales in 2019. The Group faces competition from large, multinational competitors in the United States, including Compass, Aramark and Sodexo, but also from smaller US-based competitors such as Delaware North and from local catering companies. We believe the US market represents a major growth driver for us, due to our solid positions in the most attractive market segments of the contract catering industry.

Recent market trends and growth drivers

Increase in Outsourcing

We expect the outsourcing rates will continue to grow, resulting in an overall expansion of the contract catering industry. The relatively low outsourcing rates in the Education and Health & Welfare markets and in the US generally are expected to support addressable market growth in the coming years, as further accelerated by the COVID-19 pandemic. In the Health & Welfare market, growth will also be underpinned by demographics and an ageing population, the development of value-added sub-segments, such as home meal deliveries, hospital after-care services, and new services related to an expected trend towards higher-end offerings in elder care facilities. In education, institutions will need to adapt to COVID-19 lessons with an increased focus on digital and mobile solutions as well as wellness, nutrition and vegetarian recipes.

We believe that as companies and other private institutions seek to maximize savings during the current uncertain economic environment and as public entities continue to operate under political pressure to reduce spending, they will focus on their core business and competencies, which do not include providing food services to their workforces, students, residents or patients. There will be a greater focus going health and safety protocols which will require the expertise of specialists to implement in a cost effective and compliant way. We believe once an institution chooses to outsource its catering or service needs, it very rarely decides to re-insource.

Changing consumer eating habits

Client guests are increasingly demanding more healthy, balanced and high quality meals and greater flexibility in terms of when and where they want to consume these meals. The reorganization of work spaces and ways of working will have a lasting impact on consumption patterns in the Business & Industry market. In the private sector, high-street brand and grab and go concepts, which were already popular before the pandemic have been experiencing a faster pace of development of new services based on digital technology (click & collect and take-away solutions, etc.), enabling catering services to cover wider areas and broader timeslots.

With the arrival of generations Y and Z into the workforce, the catering industry has been shaken up by new behavior patterns which create additional growth opportunities for catering companies to adapt their offering to increase the capture rate and the COVID-19 pandemic has heightened demand for more flexible, grab & go and digitally enabled catering solutions. These consumers have different eating habits and requirements and expect to be able to eat when they want, where they want, and how they want. With the massive arrival of generation Y into the workplace, combined with the explosion of digital technology and new collaborative working methods, the ways companies are run and their working patterns are evolving. Consumer attitudes to food are also changing, and eating fresh, healthy and high-quality produce in attractive and relaxing spaces has now become essential.

Safety, hygiene and traceability requirements

The COVID-19 pandemic has increased consumer awareness and concern regarding food safety, hygiene and traceability. This trend will require specialized expertise to not only ensure high food quality and safety standards but to create safe dining areas. Clients will need to adhere to stricter health and safety measures which could prove too complicated and costly to implement and comply with in-house.

BUSINESS

Overview

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Our contract catering business serves three key client markets: corporate entities and government agencies (Business & Industry), educational establishments (Education), and health and welfare establishments (Health & Welfare). We operate our contract catering activities in our traditional markets of France, Spain (including Portugal), Italy and the United Kingdom as well as in the United States since 2013.

In every contract catering market we serve, we seek to tailor our services to meet each client and guest profile. In the Business & Industry market, our business model has historically been focused on providing outsourced contract catering services at our customers' premises, where we prepare and serve meals at corporate sites (SMEs, blue chip), government offices, museums, stadiums and on board trains. In accordance with the size and requirements of the business, we deploy new operating models such as leveraging on our central production units (central kitchen) that we already used mainly in the education market as well as innovations and digital solutions to facilitate meal delivery. For example, we have developed applications for pre-ordering and paying for meals, which reduce wait times during peak periods. Another example of innovation is Food360, which allows an employee to order food on an application and receive the quality and balanced dish in the workplace smart refrigerator at the time desired. In the Education market, we operate the largest kitchen infrastructure in Europe, which allows us to combine high productivity with a local presence. We use local and certified organic food in our homemade recipes to promote healthy eating habits among our young guests. We provide catering and services for both public and private education from early childhood, day-care, school (elementary and higher), through to university. In the Health & Welfare market, we provide catering and services for hospitals, clinics, retirement homes and day-care centers for disabled, elderly and dependent (including home delivery). We tailor catering solutions to patients' pathologies, adapting textures and personalizing nutritional protocols.

Based on revenue generated in the year ended September 30, 2020, we estimate that we are the second-largest pure player in contract catering & services worldwide, with leading market positions in Europe and a growing presence in the United States.

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We are a listed company with a market capitalization of €1.2 billion as of June 28, 2021.

Our Competitive Strengths

Our business benefits from a number of competitive strengths, including:

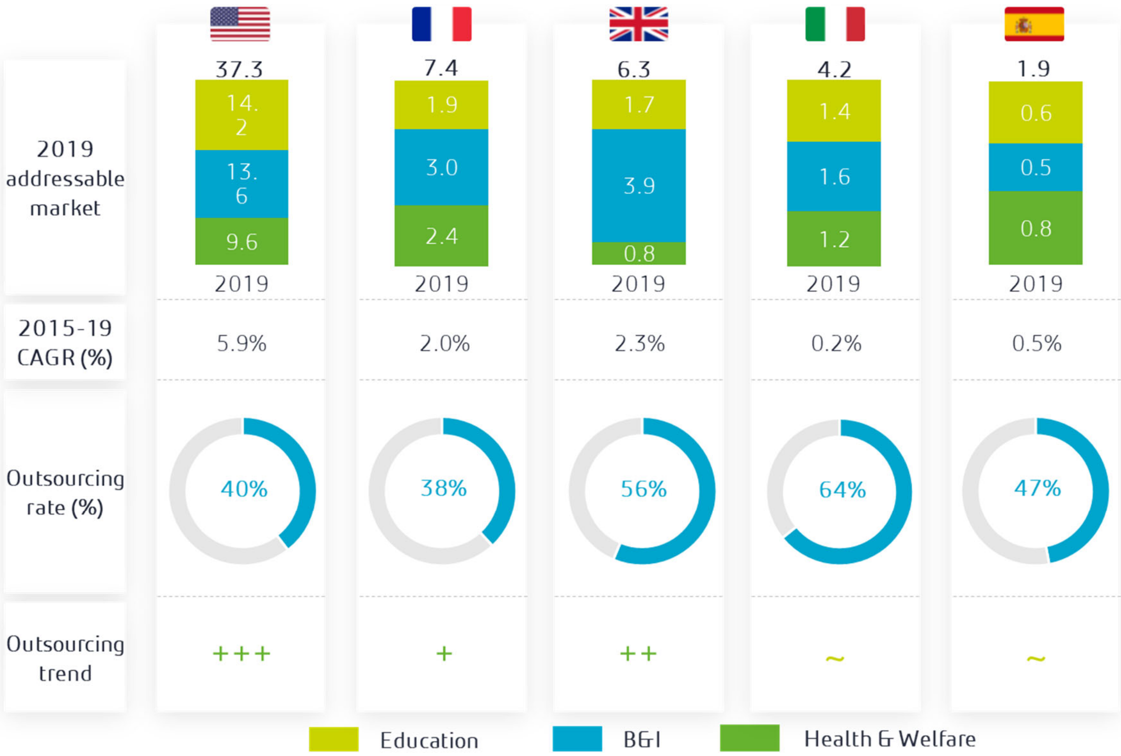
Operating in large and stable markets with attractive fundamentals

Our key markets of France, Spain and Italy where we enjoy strong, defendable positions and longstanding relationships with clients are historically among the largest and most stable markets for contract catering with high levels of outsourcing. In addition, we operate in the United Kingdom and United States which are displaying stronger growth and higher tendencies towards outsourcing of contract catering. We estimate the markets in which we operate for contract catering represented €124 billion in revenue for the year ended December 31, 2019 and we estimate that the outsourcing rate is 43% which implies that the size of our outsourced catering market, or addressable market, is €53 billion. Outsourcing in the United States in the Health & Welfare market and Education market remains low – and offers significant promise for future business. Disruptions from new work practices in the Business & Industry market limits short term visibility on recovery prospects. However, the disruptions are expected to be offset in the med-term by adapting contract catering offerings.

Key secular growth drivers that will provide our platform with new revenue streams and enhanced add-on options to boost margins include (i) outsourcing of contract catering as clients focus on their core business, (ii) concerns regarding food safety, hygiene, and traceability and (iii) an increasing focus on healthy, balanced, and high quality meals. Furthermore, the impact of the COVID-19 pandemic has led to an acceleration in the long-term trends we have observed across our markets over the past few years and heightened demand for more flexible, grab & go and digitally enabled catering solutions and offers that are compatible with COVID-19 health and safety guidelines to prevent dining areas from becoming too busy, in addition to creating new offerings to respond to new consumption patterns such as working from home. Overall contracting catering operators are adjusting their business models and offerings to adapt to the changing market dynamics which will continue to drive growth opportunities in our contract catering market.

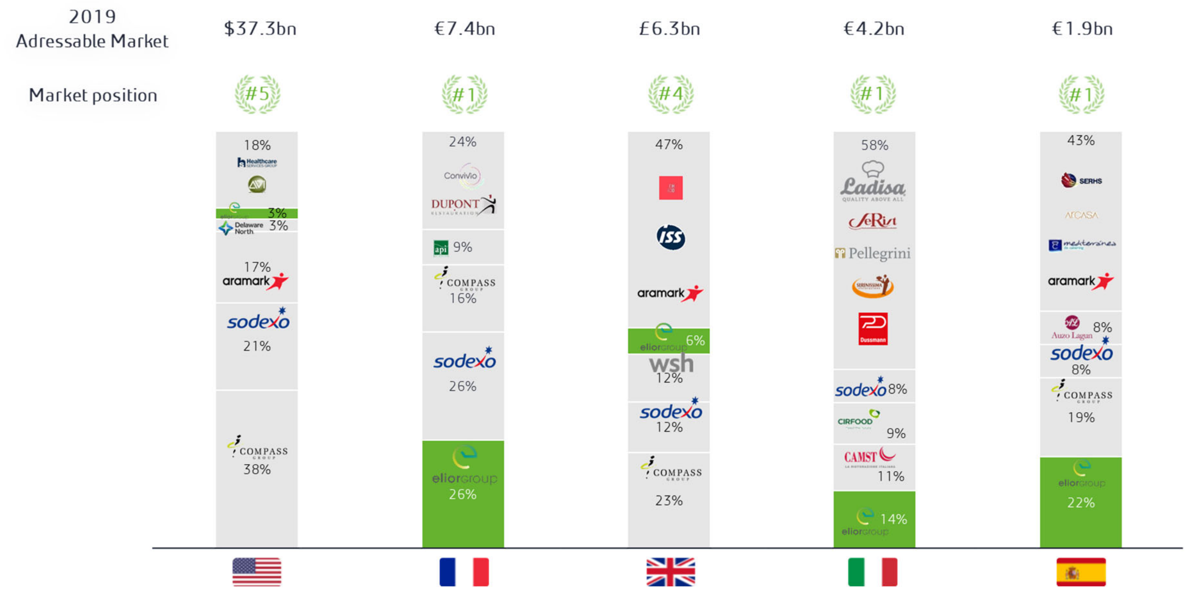
We steadfastly focus on these growth drivers through our business. Firstly, we are well positioned to respond to the disruption in our Business & Industry market with the ability to leverage off our extensive central kitchen model and benefit from our modified atmospheric packaging knowhow enabling longer shelf life and delivery capacities including the recent acquisition of Nestor in France to help capture the increasingly relevant small and medium-sized addressable market. Since the first lockdown we have accelerated the repositioning of our offer towards an asset-light model (connected fridges), combining digitally enabled services (ordering, click & collect) and a culinary offer revised for larger sites to keep up with consumer trends focused on healthy, balanced and high quality meals and nutritional transparency. Secondly, in the Education market, we are responding to the increasing focus on nutrition. For example, in September 2020 we introduced the Nutri-Score food rating system in our school canteens in France, making us the first – and only – contract caterer to have done so, and with our Safe Café concepts we deliver high health & safety standards, increasing customer confidence and capture rate. Thirdly, in Health & Welfare, we have developed ultra-personalized catering solutions by expanding our home delivery services and by rolling out senior-specific offerings such as Nutri-Age in Italy and Idequatio in France, focused on addressing the individual needs of our guests based on their nutritional requirements and capabilities.

We are present in the markets and sectors that display high growth potential. The table below shows the outsourced addressable market in France, the United States, Italy, Spain, and the United Kingdom.



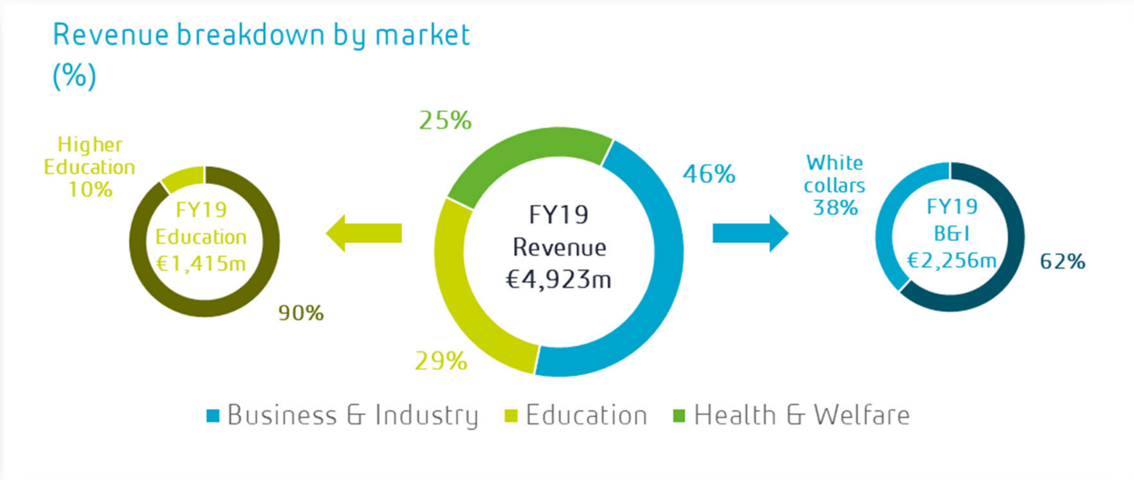
Leading player in the contract catering sector with scale positions in its key markets

We are a leading contract catering player in France, Italy, and Spain with strong market positions in the United Kingdom and United States, covering addressable markets of approximately €53 billion. The contract catering market is characterized by a large number of small and mid-size regional or specialized operators competing with a few national or international players. In our markets, critical mass is an essential competitive factor, as it creates the ability to offer prices that match market expectations. We are well-positioned as a market leader, and we estimate we occupy the #1 position in France, #1 in Spain, #1 in Italy, #4 in the United Kingdom and #5 in the United States, a market which offers attractive opportunities to further grow our footprint. We seek to partner with our clients, and we distinguish our value proposition through the size of our offering, our ability to exploit economies of scale both in procurement (a key cost item permitting us to deliver contracts more competitively) but also in innovation. Our leadership is based on competitive pricing solutions, a more diverse and healthier offering range, and more efficient safety and hygiene regulation compliance. Our differentiated features attract a large and diversified customer base. Another pillar of our business model is our portfolio of brands which we operate including Elior, Serunion, Hospes and Corporate Chefs, both in France and internationally, which have built up a reputation for quality and excellence in their reference markets. As a result of our strong market position, we have been able to pursue targeted growth opportunities while also focusing on winning larger contracts that offer broader options for geography and services.

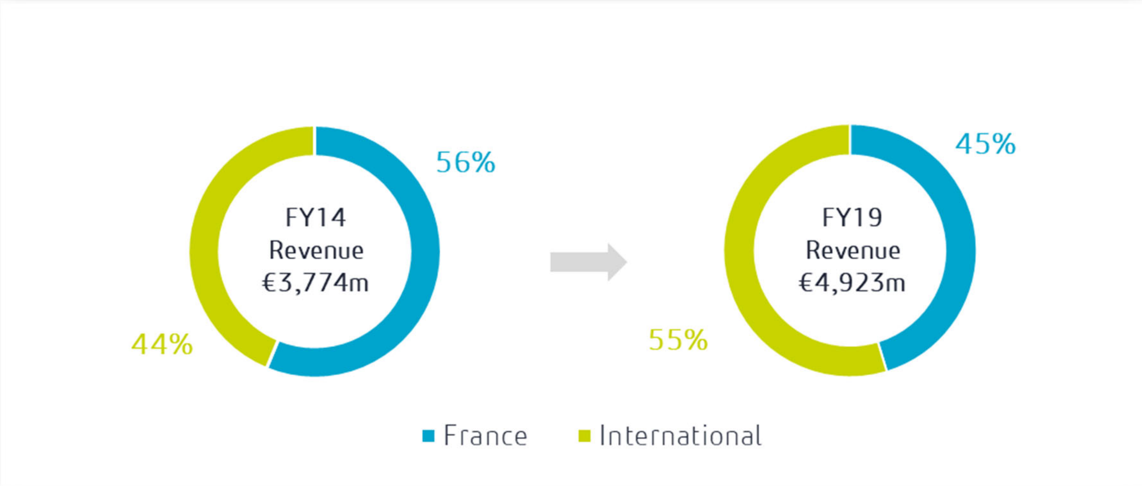


Resilience thanks to a diversified business mix, loyal client base and multi-year contracts

We operate a resilient business model, underpinned by a diverse business mix, loyal client base, and multi-year contracts. The strength of our business is mainly due to the wide diversity of our operations, in terms of both business sectors and geographies. Our diversified business mix makes us uniquely positioned in contract catering during the pandemic because of the limited exposure to the disrupted white collars segment in our Business & Industry market (only represented 18% of revenue for the year ended September 30, 2019) and limited exposure to higher education in our Education market (only represented 3% of revenue for the year ended September 30, 2019). The table below shows the revenue for 2019 breakdown by market.



Our business mix is strengthened by our expansion globally. We have a growing international presence since 2014 and now operate in six countries. For the year ended September 30, 2019, we generated 45% of our revenue in France and 55% internationally, as compared to 56% in France and 44% internationally for the year ended September 30, 2014. After entering into the largest and fastest growing US market in 2013, we are the number five player today. The graphic below shows our revenue breakdown by geography for 2019 as compared to 2014.



Furthermore, our business model is strengthened by the fact that we have a wide and diverse client portfolio. Our loyal and diversified customer base includes more than 14,000 contracts. Our retention rate in contract catering, for the year ended September 30, 2020, was 91.8%. We pride ourselves with building long-standing relationships with our clients, and we have been working with our top five clients for more than twenty years on average. Nonetheless, our revenues are diversified and we have avoided dependence on any single client, which provides our platform with the stability and strength to navigate changing market conditions. For the year ended September 30, 2020, our five largest contract catering clients accounted for approximately 7% of total revenue for the contract catering segment, our ten largest contract catering clients accounted for approximately 9% of total revenue for the contract catering segment, our fifteen largest contract catering clients accounted for approximately 11% of total revenue for the contract catering segment, and our twenty largest contract catering clients accounted for approximately 13% of total revenue for the contract catering segment. Our 30-year track record of providing outsourced contract catering solutions to a variety of markets for operators both large and small has permitted us to accumulate expertise which we deploy to tailor offerings matching customers' specific needs with varying contractual features that promotes client stickiness and retention. Some of our selected clients include Trenitalia, SEAT, the City of Lyon, London Business School and Savannah State University.

In addition, we offer favorable contract features. Our long term contracts have on average a five year duration. We maintain a balanced portfolio between public sector and non-public sector clients, with approximately 64% of our revenue generated by non-public clients and the remaining 36% generated by public clients. Moreover, automatic extension clauses and indexation based on prices of raw materials and labor costs contained in many of our contracts protect our margins.

The loyalty from our clients is premised on superior service delivery as well as close collaboration together to drive bespoke solutions. More recently, our management deployed fast responses to COVID-19 with critical solutions tailored to specific needs – for example, keeping school cafeterias open to provide nutrition to children and maintaining services at factories, hospitals and other mission critical facilities. We adapted our contracts in line with attendance throughout the pandemic, which allowed us to seize the opportunity to improve contractual terms through targeted renegotiations based on local conditions.

Consistent financial performance

At Elior Group, we maintain a sharp focus on financial performance metrics. We have demonstrated our ability to consistently grow our revenue over the years both organically and through bolt-on acquisitions, recording a consolidated compounded annual revenue growth rate of approximately 5.8% (of which 1.6% is organic) between the years ended September 30, 2013 and 2019. Additionally, we have maintained resilient EBITDA margins with the potential to further improve profitability. For the years ended September 30, 2018, 2019, and 2020, our EBITDA margins were respectively 5.5%, 6.2% and 1.3% (pre-IFRS 16) (which would have been 6.4% as adjusted to normalize for the COVID-19 impact). Our revenue and EBITDA growth has been supported by our selective acquisition strategy and by our ability to generate continued organic growth despite difficult economic conditions. Our Cash Conversion rates (defined as EBITDA minus net capital expenditures divided by EBITDA) for the years ended September 30, 2018, 2019, and 2020 were respectively 40%, 62% and would have been 66% as adjusted to normalize for the COVID-19 impact. Our management keeps a sharp focus on strong free cash flow generation and pursues only EBITDA accretive acquisitions and capital expenditure initiatives that promise to capture new revenue streams. We believe that as a result of the foregoing, our efficient business model is characterized by good profitability levels, low working capital requirements, and stringent capital expenditure resulting in strong cash flow generation.

Well placed to benefit from supportive macro trends and return to normal

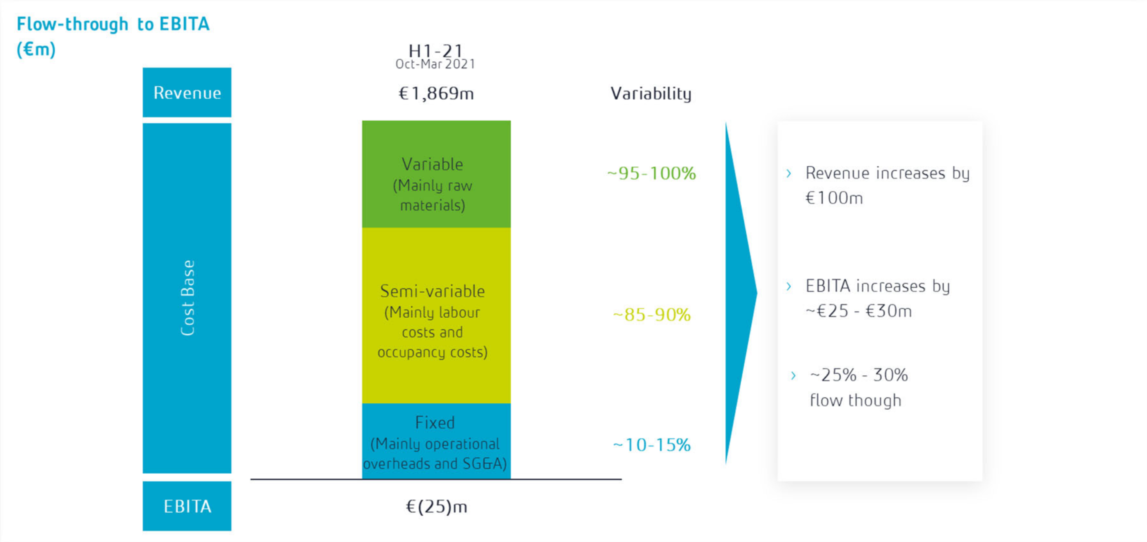
Our business is resilient and poised to rebound as the stringent lockdown and social distancing measures imposed to contain the COVID-19 pandemic are eased and as the rate of vaccination continues to increase in our geographies. Elior is well placed to benefit from macro trends which support the contract catering business generally and in particular provide further opportunities for revenue and margin growth based on our diversified platform, as proven in France between April 2020 and September 2020. Certain aspects of our business were significantly affected by the COVID-19 pandemic as offices and workplaces closed or reduced the number of employees present per day, particularly in France in the Business & Industry and Education markets, with number of meals served decreasing in the year ended September 30, 2020 to approximately 7% and 10% of year ended September 30, 2019 levels. The Health & Welfare market remained fairly resilient as a result of our support to hospitals, clinics and frontline workers who may have had an increased propensity to eat at on-site locations when alternatives were closed, even though COVID-19 impacted the number of visitors in cafeterias, reduced capacity in hospitals, and reduced capacity in senior homes where new guests were temporarily not accepted. As lockdown measures began to be progressively lifted in May 2020, we experienced a significant pick-up in the French Education market with meal count recovering to 95% of 2019 levels by September 2020. Recovery in the Business & Industry market was more gradual with an increased proportion of companies' workforce adjusting to new norms. Due to our business mix and the sustained focus by management in all of our markets to safely reopen sites when national legislation permitted us to do so, we have been among the most resilient players in the industry as compared to our listed company peers when 2020 organic sales are measured against 2019.

During the COVID-19 pandemic, the geographies and markets where we operate were affected in different ways. For example in France, the number of meals served sharply declined in April to June 2020 during the first lockdown but then continued to recover as restrictions eased, peaking at 86% in the month of September, 2020 compared to 2019 levels. Since fourth quarter of fiscal year 2020, we have recorded a more stable reduction in meal count and revenue compared to 2019. Recovery trends have varied across end-markets in the second quarter of 2021 with Education and Health & Welfare proving more resilient (Education meals served was at 92% compared to 2019; Health & Welfare meals served was at 87% compared to 2019; whereas Business and Industry meals served was at 44% compared to 2019). Our international business units are recovering at different paces on a country-by-country basis because of differing lockdown and social distancing easing measures and vaccination rates. Meal volumes in the US remained more resilient during the pandemic (around 85-90% compared to 2019 on average), supported by softer restrictions and good performance in Education (particularly K-12) and Health & Welfare. Recovery patterns in Europe followed similar trends to France. Italy's resilience was supported by favorable Business & Industry exposure to industrials, while meals served in the United Kingdom struggled due to stricter lockdown measures. In terms of revenue, international activity levels dropped to 57% over the third quarter of 2020 compared to 2019 due to lower European volumes. Since the fourth quarter of 2020, revenue recovered to around 70% compared to 2019. In the short term, more favorable conditions are expected in the United States and the United Kingdom as vaccination rollouts advance.

Throughout the pandemic, our decentralized and nimble management structure displayed its ability to pivot in accordance with local conditions and client needs. Management focused on structural cost optimization through contract renegotiation and labor savings to put us in a position of recovery from COVID-19. Contracts were successfully renegotiated for lockdowns and re-openings. These renegotiations included price revision clauses and menu reengineering along with flexible combination of production and service operating model (switching from on-site to central production) as well as contract extension to secure future revenues. We also adjusted field operations and organizational structures to activity levels. As a result, we believe we are well positioned post-pandemic with utilization of government supported furlough and technical unemployment programs. Elior's restructuring plans include €103 million already provisioned in the year ended September 30, 2020, notably €68 million in France following the Group's job redeployment plan involving an 1,888 FTEs workforce reduction. We expect that these restructuring initiatives will lead to a short term cash outflow with an approximately one-year payback period. Furthermore, management seized the initiative to opportunistically renegotiate key cost items, such as service contacts (linen, maintenance, insurance and vehicle fleet) and optimize site locations.

Recognizing that meal volumes are dependent upon restriction measures taken to curtail the latest pandemic waves, management has concentrated on proactively reducing our cost base. During the first half of 2021, we operated close to EBITA breakeven and initiatives to maintain capital expenditures under control (approximately 1.5% of revenue) supported cash generation. A pick-up in activity following the reopening is expected to support meal count and revenue expansion. As revenue recovers, we should benefit from significant operating leverage thanks to recurring reductions in our cost base secured during the pandemic.

Our cost cutting initiatives gears us for further margin growth post-pandemic. Management deployed the various levers it has to reduce semi-variable and fixed costs through overhead, labor and occupancy cost reductions and renegotiations. We estimate that when volumes recover, the flow-through to EBITA for each €100 million of revenue generated will be approximately 25% to 30%. The illustrative direct impact of a revenue increase on EBITA increase (flow-through) is presented in the graph below.



Elior remains confident that its platform and unique business model will provide it with the strength to seize opportunities emerging in the post-pandemic world. As we exit the pandemic, we are optimistic regarding both the short- and medium-term outlook. In the short-term, we believe that the United States and the United Kingdom are well positioned to bounce back sooner than France, Italy, and Spain due to the comparatively higher vaccination rate. September will be key given planned easing of restriction measures and structural seasonality. In the medium-term outlook, we believe that return to robust organic growth will be within sight. We further believe that improvement in our pre-crisis margins will be supported by structural cost optimization efforts. Permanent impact of work from home in Business & Industry volumes (around 20-30% of 18% of consolidated revenue) will be more than offset by new initiatives, new markets, and new clients.

Empowered local teams, underpinned by a strong entrepreneurial mindset

We benefit from the experience and industry know-how of our management team piloting a decentralized structure, underpinned by a strong entrepreneurial mindset. Our systematic control mechanism is deployed throughout the organization led by functional leaders. We are led by Philippe Guillemot, our Chief Executive Officer, who joined the Group in 2017 with particular expertise in running large organizations with a global footprint (especially in the US market) and building sustainable growth and operational excellence. Our senior management consists of the heads of our main country teams where we operate (France, Italy, North America, Spain, the United Kingdom), the head of our Services business and functional leaders who provide specialized direction and support for the execution of the Group's strategy (finance, logistics, digital transformation, human resources and communications). Our management has a long history of operating in the catering and retail industries along with an enviable record of long-term profitable growth throughout business cycles.

In addition, our structure is lean with few layers between top-management and front line. This encourages strong commitment and entrepreneurial spirit across the group, permitting our organization to seize opportunities as they become available and evolve in line with our markets and clients' business models. Furthermore, we believe our empowerment of local leadership in each of our geographies, along with our entrepreneurial mindsets, allows top management to agilely take decisions for clear and focused strategies. This has been shown through the management's actions during rapidly changing regulations imposed in the context of the COVID-19 pandemic affecting our business. Through their direction and guidance, we were able to quickly implement procedures to protect the health and safety of our employees, clients and guests, anticipate and prepare for the post-COVID-19 environment through investing in new revenue streams and support the mobilization and engagement of teams on the front line. Our management also concentrated on strict cash management and a swift adaptation of the organization to keep us in a solid position. As a result of our organizational structure, local management can remain focused on the future and anticipating the needs of our clients.

Our Competitive Strategies

Our strategic plan has been designed with the aim of navigating the pandemic and accelerate further deployment of the Group's service offering. We intend to execute our strategy with a focus on customer-centric innovation fueled the knowhow and expertise developed across our global platform and with an eye on people alignment and empowerment to fully leverage the maximum impact of our talented employees and asset base.

Shift business mix towards attractive markets and clients

Elior intends to continue a polycentric approach to growth. While continuing to grow our core French business, we have successfully expanded our international presence into geographies with growing contract catering outsourcing trends, especially the United States and the United Kingdom. We are now well positioned to gear new business development towards the most attractive segments and clients. This allows us to secure higher margins by converting self-operated catering services to new outsourced contracts.

We expect to expand and further create value for clients through innovative offerings with supporting digital solutions and entering new markets, such as on-board catering for trains and grouped meal delivers to SMEs. We will focus on selected country specific adjacencies to support growth ambitions across segments. Further, we will continue to improve geographic and/or segment mix in order to protect revenue impacts from poor country or market segment performance. We will focus on a select number of countries to target local markets yet share the best practices, recipes, and offerings, such as Food360, Urban360, and the roll out in UK with 'pods.'

We plan on expanding our leadership positions across several market segment in larger geographies, such as the United States in targeted market segments, such as community meals and corrections.

Increase customer centricity through CSR and increase cross-sell/upsell in services

We intend to increase customer centricity with a clear and proactive focus on CSR. We plan on focusing on new concepts, increasing use of digital technology to provide new customer services, and direct end-client to drive footfall in business & industry and education with parents. Our digitally inspired innovation will drive new opportunities in response to changing customer trends. We continue digital innovation to complement traditional business & industry offerings because of the demand for high quality meals on-the-go, away from traditional catering settings. In France, Nestor allow us to expand the small and medium-sized addressable market. In the office, employees can use connected fridges and a click and collect app or have a delivery of fresh and tasty lunches directly to employees to enjoy in dedicated spaces. While working from home, Bites to Go allows employees the flexibility to take away via POS (fridges, vending machines or delivery). In the education market the trend is to focus on healthy, tasty, and nutritional meals in safe environments. Our innovation Weeky Daily is a click and self-service in schools and universities which offers teenager inspired meals in safe, social distanced spaces which increases our capture rate. In addition, Safe Café uses QR codes to deliver our health and safety standards which increases customer confidence and capture rate. The trend in health and welfare is personalized menus based on health and capabilities, available in traditional setting or at-home services. NutriAge is our innovation which identifies nutritional needs and delivers personalized plans, ensuring well-being for retirement home guests or the elderly via an at-home service. Further, Inéquatio adapts to people's specific needs by ensuring the right food texture depending on their heath and capabilities.

We intend to have an accelerated implementation of new offers for the Business & Industry market (asset light solutions, central production and digitally enabled services: ordering, click and collect, group delivery). We plan to increase capture rate with additional distribution formats and revised meus, such as grab & go and vegetarian expansion.

We plan to continue to increase our cross-sell in our services through special works and facility management. For example, in the United States we have Kitchen on Demand initiatives. The Kitchen on Demand Strategy Council was put in place to leverage our cross-team collaboration to drive the full capacity utilization and expand footprint. Work streams were identified to accelerate entrance into new markets using cross segment teamwork. The pilot offerings were implemented across multiple market segments.

Systematic focus on retention

Client retention is at the core of our business model and we are proud of the many clients we have been privileged to serve for many years. In contract catering, renewal of contacts often delivers better value for us and our clients as we are typically in the position to apply the knowhow gained in the previous performance of the contract, recalibrate pricing if necessary and adapt service offering to guest demand. Our strategy calls for reaching our target of 95% retention rate by continuing to strengthen our offer portfolio with existing clients, deploying systematic processes to apply lessons learned and improve our renewal pitch, and adopting various tools to monitor client satisfaction. We intend to proactively manage contracts and leverage new offers to retain smaller contracts (less than 150 meals per day) with new asset light formats. In Italy, we will drive retention rates with innovation showing new opportunities which include modified atmosphere packaging. This technology extends shelf-life of freshly cooked meals. We have untapped profitable opportunities up to 150 kilometers from our central productions units.

Continuous cost optimization

We will continue to focus on cost control and efficiency measures, promoting a culture of constant improvement as an important part of our strategy. We intend to increase our share of centrally managed contracts to maximize volume rebates, while respecting local food traditions. We plan on optimizing food costs through maximizing the utilization of our central production unit capacity by, for example, which can be used to prepare meals that are served at other sites. We also intend to pursue optimization of overhead costs and selling, general and administrative expenses through shared services, right-sizing the layers within our organization and investing in process automation where it makes business sense to do so. Though we have already made improvements in labor force rationalization, we believe there are still optimization initiatives that can be gainfully harnessed.

Focus on cash management and allocation

Cost control and cash generation remain core to our management's strategy for the Group. Our plan includes a strong focus on cash management and efficient capital allocation. To do this we intend to monitor capital expenditure, investing in accordance with strict payback parameters. Furthermore, we are rolling out initiatives to improve working capital. For example, we aim to reduce working capital swings once volumes recover. We intend to limit and have a one-year-payback on non-recurring expenses, including restructurings.

History and Development

Since it was founded in 1991, we have grown from a contract caterer with operations only in France to an international group with two core businesses: contract catering and services. We currently operate in six countries.

We were co-founded by Francis Markus and Robert Zolade who, together with 300 managers, acquired a 35% stake in Générale de Restauration, the contract catering subsidiary of the Accor group.

In 1993, we entered the French concession catering market and became the market leader in 1997. In 1998 it adopted the name “Elior,” and in 1999 began accelerating our development in the European contract catering market through acquisitions in the United Kingdom, Spain and Italy.

In 2000, we were first listed on the Premier Marché of Euronext Paris and shortly afterwards the Group expanded its concession catering business in Spain and Italy through partnerships with MyChef and Areas, and built up its presence in contract catering in Spain through an alliance with Serunion. The Group further diversified its business by entering the services industry in France in 2004 through the acquisition of Hôpital Service, a company that provides services for healthcare establishments (specialized cleaning and hospitality).

In 2006, we delisted from Euronext Paris and were taken private by Charterhouse, Chequers and Robert Zolade.

As from the beginning of 2010 the Group engaged in a number of acquisitions in various markets and businesses, beginning in that year with Copra, an Italian contract caterer, as well as Sin&Stes, one of France's leading corporate cleaning services firms, which pushed it up to the position of sixth-largest contract cleaning company in France. In 2011, the Group expanded its contract catering business in Spain by acquiring the Alessa Catering group. In early 2012, we consolidated our operations under the “Elior” brand name, which also became its trade name in France, the United Kingdom and Italy. Also in 2012, we acquired two contract catering companies: Gemeaz in Italy (which made us the country’s leading contract caterer), and Ansamble in France (which placed us as France’s joint leader in the contract catering market). In 2013, the Group entered the US contract catering market by acquiring TrustHouse Services (since renamed Elior North America), a leading player in the education and healthcare sectors in the United States. In October 2014, the Group acquired Lexington, a UK-based contract caterer specialized in high-end catering services in the City of London.

On June 11, 2014, we were relisted on the regulated market of Euronext Paris.

In 2015, the Group reinforced our position as a global player in the concession catering market by raising our stake in Areas to 100%. We also increased our contract catering presence in the United States by acquiring Starr Catering Group (since renamed Constellation Culinary Group), a US market leader that offers a full range of premium catering services.

In 2016, THS took on the Group's flagship contract catering brand name, becoming Elior North America. During that year, Elior North America acquired ABL Management, which operates in the university and corrections segments, and Preferred Meals (specialized in contract catering and home deliveries in the education and seniors markets). In the United Kingdom, Elior acquired Waterfall Catering Group, which operates in the growth markets of education and healthcare, and as a result became the UK's fourth-largest contract caterer. The Group also made its entry into Asia in 2016, by simultaneously acquiring two contract caterers in India: MegaBite Food Services and CRCL.

In 2017, the Group pursued the expansion of its contract catering activities in the United States by successively acquiring CBM Managed Services, Lancer Hospitality, Abigail Kirsch, Corporate Chefs, Design Cuisine and Sidekim. The acquisition of Corporate Chefs strengthened Elior North America's positions in the premium corporate catering market and the education sector. Lancer Hospitality provides professional food management services in a variety of settings including cultural venues, leisure attractions, business centers, schools and healthcare facilities. As it is based in Minnesota, the acquisition of Lancer Hospitality enabled the Group to broaden its presence in the US.

In 2018, the Group acquired a new company in the United States – Bateman Community Living – reinforcing Elior North America's position in the seniors catering sector. In total, the Group has carried out 19 acquisitions in the United States in the space of three years.

In 2019, having reviewed the strategic options for its concession catering business, Elior Group sold its subsidiary Areas, opening up a new chapter in its history by refocusing on its long-standing businesses of contract catering and services. At the same time, the Group launched its New Elior strategic plan, which sets out its roadmap up until 2024.

Also in 2019, Elior reinforced its leading position in senior nutrition and community meals in the United States, by creating TRIO Community Meals, bringing together three regional brands.

In the United Kingdom in 2019, then in the United States in 2020, Elior launched Lexington Independents to create a single brand to the serve independent schools. This new brand has strengthened the Group’s presence in the private education market, offering bespoke catering solutions for both pupils and teachers.

For the year ended September 30, 2020, the Group's revenue amounted to €3.967 billion.

Our Business Segments

Contract Catering

The Group's contract catering business addresses three different client markets: Business & Industry (companies and government agencies), Education (private and public educational establishments, from nurseries to higher-education), and Health & Welfare (private, public and not-for-profit healthcare providers and the operators of care homes and welfare establishments). The Group serves all three of these markets in each of the countries in which it has contract catering operations.

Through this business, the Group offers dining services, meal deliveries, vending solutions and foodservices technical support.

As of September 30, 2020, as part of our contract catering business, we:

- operate in six main countries: France, Italy, Spain, Portugal, the United Kingdom and the United States;
- operate 22,700 restaurants and points of sale in six main countries;
- receive 4 million guests per day; and
- manage 85,000 employees worldwide.

Support Services

Elior Services is a French brand and has three main areas of expertise: cleaning and hospitality services in clinics, hospitals and specialized healthcare establishments; cleaning and hygiene services in offices and industrial premises (including in highly sensitive locations such as white rooms); and facility management (which includes reception, concierge, mail handling and grounds maintenance services).

In the healthcare sector – which has been Elior Services' principal market since the outset and where it is the leader in France – the company offers a wide range of solutions including specialist cleaning services, laundry services, in-room meal services and hospitality services. One of the keys to its success in this sector is its continuous innovation approach.

Elior Services also meets the requirements of a wide range of clients in other sectors including large corporations, high-end hotels, leisure venues (stadiums, museums, movie theaters etc.), schools and sensitive industrial sites, as well as shopping malls, where cleanliness and services are essential for brand image.

Elior Services proposes value-added solutions to help its clients create pleasant working environments. Its corporate concierge services are also proving increasingly popular with companies looking to offer that little extra to attract and retain talent.

Thanks to Elior Services' in-depth expertise in hygiene and disinfection, it was able to expand its offerings in order to swiftly offer responses to the challenges caused by the COVID-19 crisis.

We believe that we are the No. 1 player for cleaning and hospitality services for the French healthcare sector, operating from 2,300 sites with 20,000 employees.

Our Main Operating Markets

Business & Industry

Elior proposes catering services and cleaning services (in France) to businesses in all types of sectors, ranging from manufacturing to financial services, and of all sizes, from SMEs to international corporations, adapting its offerings to their varied and specific needs. The Business & Industry market comprises several segments, which have different levels of exposure to economic cycles and the lasting impacts of the COVID-19 crisis.

Contract Catering

Our Business & Industry market comprises 5,600 restaurants with 1.2 million customers per day as of September 30, 2020.

The Business & Industry market comprises private sector clients in the manufacturing and tertiary industries, including leisure and transport, as well as institutions such as public-sector companies, government agencies, cultural organizations, military bases and corrections facilities. Our expertise now also enables us to offer catering services to small and mid-sized enterprises (SMEs), thanks to the development of dedicated technological solutions (mobile apps, smart fridges, etc.).

We propose varied offerings that are specifically targeted to our different market segments and we constantly innovate to create catering solutions that meet the changing needs and expectations of our guests. The ways we seek to achieve these aims include taking inspiration from commercial catering, digitizing certain services and broadening our offerings (in terms of serving times, venues, menus, recipes, etc.).

Our Offering to Business & Industry

We are keenly aware that the needs and expectations of our clients and guests differ depending on their profiles, for example whether they operate in the manufacturing or services sector. We are agilely adapting our production and service models to accompany the changes in work organization methods that were already happening pre-COVID and are accelerating as a result of the crisis. In addition, as a benchmark player in industrial ultra-cleaning, Elior Services provides cleaning and hygiene services for production areas and highly specific environments such as white rooms.

Our Specific Offerings for Government Agencies

We also provide services that are tailored to the specific needs of different types of government agencies (e.g. 7/7 and night services), including ministries and regional authorities, as well as military bases and correction facilities.

Eating well, even on the move

We have built up real expertise in on-board rail catering – starting out in Italy and then in Spain and the United Kingdom – with original offerings made from fresh and seasonal produce. Passengers can sit down to eat or can grab & go, or book a meal online for direct delivery to their seat. An even broader range of services is now available on night trains, including packed meal boxes and bed-making.

Sport and leisure

We offer both sit-down dining and snack options to enjoy at venues such as stadiums (Murrayfield, etc.), zoos, museums and prestigious cultural sites (the Vatican, for example).

Clients

Our clients in Business & Industry include: Trenitalia, Enel, Hera, Poste Roma, World Food Programme, Seat, La Poste, Amadeus Sophia, Airbus, Renault, California Academy of Sciences, The Carnegie Hall Corporation, Wimbledon Football Club, New York Botanical Garden, Linklaters, BAE Systems, Apollo Global Management, Phoenix Zoo, Sanofi, Bank of England, Scottish Rugby Union Limited, Futbol Club Barcelona, Ashok Leyland and PayPal.

Education

The Education market comprises three main segments (pre-school; elementary, middle and high schools; and higher education) and our clients in this market include both state-run and private establishments.

Contract Catering

Our Education market comprises 14,100 school restaurants with 2.1 million children and students catered per day in Europe and the United States.

Clients in the Education market include public and private education institutions covering a broad spectrum of ages, ranging from pre-school day-care centers and elementary and secondary schools through to universities and other higher education institutions.

School catering is one of our long-standing markets. Thanks to our network of central production units in Europe and the United States, combined with our know-how in managing small sites, and our expertise in food hygiene, safety and traceability, we enjoy a solid leadership position in both the public and private education sector in Europe.

With approximately 90 central production units in France, Spain and Italy, we have the largest central kitchen infrastructure in Europe, with a regional network that enables us to combine high productivity with a local presence. We have a similar infrastructure in the United States, giving us a strong platform for consolidating our leadership in that countries.

Keenly aware of the role we have to play in educating tastes and encouraging healthy eating, the Group pays particular attention to the flavor of the food we serve, as well as to using local and certified food and "homemade" recipes. We also take care to pass on the message to your young guests about the importance of taking pleasure in eating well.

One of the main challenges in the Education market for Elior, like other caterers, is to demonstrate the quality of our services and make market players aware that quality has a price tag.

Catering Solutions For Every Age

Thanks to the expertise we have honed over the years, we offer innovative catering solutions tailored to the specific needs of each age group, from pre-school right through to university. We offer comprehensive catering solutions to help children make good food choices by themselves. And we are committed to providing transparent information about allergens (e.g. the *Lunchhound* solution in the UK) as well as the origin of the food we serve and its nutritional values (as illustrated by the rollout of the Nutri-Score system in France for example).

Giving Children a Taste for Healthy Eating

The ingredients we use are selected by dieticians who ensure that our menus are balanced and varied. In order to help us propose innovative and diverse menus, in France, 10 new recipes are tested every month by a panel of 50 children. We also organize nutritional campaigns and anti-food-waste events to get the healthy and responsible eating message across to children, such as "Let's have breakfast together," which helps children understand how important it is to eat breakfast, and "Vegetable day." During the year we also developed and launched a flexible home meal pack program offering breakfast and lunch for two, three or five days depending on the home-learning schedules of the schools concerned.

Clients

Our clients in Education include: Comune di Pisa, Comune di Genova, Ville d'Issy-les-Moulineaux, Collège Stanislas, Ville de Lyon, London Business School, University of Roehampton, Conseil départemental des Hauts-de-Seine, Lycée français de Madrid, L'Oréal Madrid, RTVE, Télécom PariTech, Les Petits Chaperons Rouges, Savannah State University, Madison County Schools and Akron Public Schools.

Health & Welfare

The Health & Welfare market covers the following main segments: health (public hospitals and groups of private clinics), seniors, residential homes and day-care centers for disabled and/or dependent people, and non-profit organizations that provide community meal services.

Contract Catering

Our Health & Welfare market comprises 3,000 restaurants with 570,000 guests per day.

The Group's main clients in the Health & Welfare market are hospitals, clinics, retirement homes, residential homes and day-care centers for disabled, elderly and dependent people, and non-profit organizations that provide community meal services. Whatever the venue, meals form part of the overall care process in this market, and a good diet contributes to the recovery of patients and the well-being of care home residents.

The Group designs catering offerings for health and welfare establishments that combine nutrition with the enjoyment of eating. In the hospital segment, catering solutions are tailored to each patient's pathology, and the new generation of cafeterias add to the well-being of both staff and visitors. For seniors, the Group draws on its expertise in food hygiene and safety, and has a strong focus on innovation. It specializes in specifically adapted textures and nutrient-rich food for seniors, and has developed solutions for delivering meals to people at home and in congregate settings.

The Group's teams also offer support to clients that are adapting their business models to the increase in outpatient surgery, by providing new services for patients from before they are hospitalized until they go home, including a specially-adapted type of on-site catering.

Taking Care of Dependency

Some elderly care home residents and people with disabilities are dependent, which means they have difficulties with basic actions, such as eating or drinking. To help make their everyday lives easier, we have designed specific solutions both for their meals (such as texture-modified foods) and their other needs (Elior Services' hospitality solutions).

Eating Well to Get Better

A healthy, balanced diet is often the first step to getting better. At Elior, we design concepts tailored to each type of patient and resident depending on their specific needs (e.g. for the elderly and people with disabilities) or on their pathology (cancer, Alzheimer's, etc.). We also address the public health problem of malnutrition by creating concepts such as Énergie Saveurs in France, which offers specially enriched food, and Elior Italia's NutriAge concept. NutriAge – which includes an initial nutritional diagnosis, personalized menus and long-term monitoring – has established Elior Italia as a veritable partner for care homes for the elderly and their residents in the fight against malnutrition and weight loss.

Championing Autonomy and Social Inclusion

We partner our clients in health and welfare establishments in designing innovative solutions that help their residents and patients either retain or regain their independence. We also distribute meals for charitable organizations and centers for vulnerable people. And during the COVID-19 crisis, we reacted quickly to help people in need, notably through our TRIO Community Meals brand in the United States.

Fostering Synergies between Businesses

Health & Welfare is the market that offers the most opportunities for leveraging synergies between catering and services, such as meals served in rooms. Elior Services' offerings comprise many high added-value services, including specialized cleaning and a wide range of hospitality services (concierge services, pre- and post-hospitalization support, etc.).

Clients

Our Health & Welfare clients include: Hôpital Foch, Ramsay Santé, Cancer Campus Gustave Roussy, Ospedale Luigi Sacco, Barts Health NHS Trust, CHU de Toulouse, Allegheny Valley Hospital, Louisiana Department of Health, Association Entraide Universitaire and Hospital Universitario de Burgos.

We recently introduced new offering and operating models that are more flexible in terms of "when and where" without compromising on quality versus the past.

We believe that the Corporate contract catering business model is in need of a structural and organizational transformation that allows lower volume contracts to be profitable. That is why we developed a comprehensive, diversified range of products and services based on digital innovations and our existing infrastructures to meet the needs of traditional clients, head offices and large sites, smaller companies, SMEs and small sites; and needs of employees working more and more remotely. To achieve this we aim to increase flexibility in terms of when and where without compromising on quality so we can offer new avenues of growth and boost profitability.

We have been actively reinventing our core catering business by introducing new offerings, new production method, the way to make meals available to the guest to address market's new challenges.

Summary table of offering and operating model

Service mode	In house				Outsourced	
Delivery				✓	✓	✓
Connected fridges		✓	✓	✓	✓	✓
Click to serve	✓	✓		✓	✓	✓
Click&collect	✓	✓		✓	✓	✓
Grab&Go	✓	✓	✓	✓	✓	✓
Assisted service	✓			✓		
Production mode	On-site standard	On-site for satellites	Central Production standard	Central Production MAP	Food Manuf. company	Food service operator

Sales and Marketing

Sales

We obtain new contracts either through a public bidding process conducted by prospective clients or through private negotiations between our group and a prospective client. Our sales approach varies by business line and by country, but across all of our lines of business, management and technical teams work closely to assemble an offer that is tailored to a potential client's needs.

To generate sales in our contract catering and facilities management businesses, we employ dedicated sales and marketing teams to identify potential new clients, negotiate business terms and sign new contracts. We provide bonus payments for our contract catering and facilities management sales teams in order to incentivize them to generate new client relationships. For contract catering sales and marketing in each country, we have industry based-teams. Our facilities management business also benefits from a sales team generally dedicated to facilities management other than the Health & Welfare market, as well as a sales team that specifically targets clients in the Health & Welfare market. Cross-selling between contract catering and facilities management has historically been limited in our continental

European markets, whereas it has been more common in the United Kingdom. Because we operate both contract catering and facilities management businesses in France, we engage, to a limited extent, in cross-selling between those businesses. However, we tend to sell services to clients under separate contracts for contract catering, on the one hand, and facilities management, on the other hand, and not in a single, bundled contract, which we think is beneficial for our business because, among other things, our business is more stable due to contract diversification.

To support our sales function, we have deployed across our geographies customer relationship management-based system that is used by both sales people and operators (approximately 1400 users in total) via a desktop or mobile interface.

Marketing

Marketing efforts are essential to demonstrate to our clients on a continuing basis that we are able to provide services that meet their needs that are attractive to end customers. To market our contract catering services, our marketing teams emphasize our ability to provide safe, appealing and nutritious meals on a cost-effective basis.

Our Brands

We operate in the contract catering market through several different brands and trade names, which vary depending on the sector, client or country concerned.

The following sets forth our brand and trade names.

France

- Elior
- Arpège
- Ansamble
- L'Alsacienne de Restauration

Spain

- Serunion
- Alessa
- Arce
- Arume
- Hostesa
- Ullasar
- Singularis

India

- Elior
- CRCL
- Megabite

Italy

- Elior
- Elior Servizi
- Gemeaz
- Hospes

United Kingdom

- Elior
- Caterplus
- Edwards & Blake
- Lexington
- Taylor Shaw

United States

- Abigail Kirsch
- Aladdin
- A’viands
- Constellation Culinary Group
- Corporate Chefs
- Cura

- Design Cuisine
- Lancer Hospitality
- Lexington Independents
- Preferred Meals
- Summit
- Traditions
- TRIO Community Meals

Customer Contracts

Our relationships with customers are evidenced by contracts with terms that depend on, among other matters, the market, geography, size of the counterparty and the complexity of its operations. The length for fixed term contracts varies from three to five years, and there is no significant variation between countries and markets, though public sector contracts typically have a fixed duration that is proscribed by law (often three years) with an automatic extension option, usually for an additional three-year period. Private sector contracts can be open-ended with automatic extension.

Business & Industry. Contracts in the Business & Industry market can be priced based on a profit and loss model, a cost-plus model or a hybrid of the two. For profit and loss contracts, pricing is determined in advance on a per meal basis that is periodically adjustable based on a pre-agreed pricing index for food, staff and services. Contract revenue model in France typically is structured as a subsidy by transaction paid by the company with volume thresholds to cover fixed costs, whereas the price of the meal is paid by the guest covering food costs. In the United States and United Kingdom, the contract revenue model is typically a fixed annual subsidy paid by the employer, or no subsidy at all, with the guest paying the price of the meal.

Education and Health & Welfare. Our catering contracts for clients in the Education and Health & Welfare markets generally follow the same model and are subject to variations based on the public or private nature of the institution we serve. Depending on the size of the institution and certain other parameters, the contract revenue model may be retail, i.e. price per transaction paid by guests, fixed price fee paid by the client based on agreed budgets, or a fee paid by the client as a percentage of the total service cost. In the French public school system, typically we are paid a fixed price per meal by the public administration or directly by families involving collections by us, sometimes with volume thresholds applicable.

Facilities and Equipment

We conduct most of our operations on the premises of our clients. Our facilities consist primarily of office space and central production units (that we either own or possess the right to use under contracts with municipalities or lease agreements with private owners). We rent our principal office, which is located in La Défense, France. We believe that our facilities are generally adequate for our present needs and that suitable additional or replacement space would be available to the extent required.

Central Production Units

As of September 30, 2020, the Group operated 177 central production units – 52 in France, 21 in Italy, 16 in Spain and 88 in North America– in which meals are prepared for delivery to contract catering clients in the Business & Industry, Education, healthcare and corrections markets. Our central production units are strategically located to serve the needs of clients within a specific geographical area.

We believe we have the largest central production unit infrastructure in Europe. We have similar production facilities in the United States and India, giving us a strong platform for growing and consolidating our leadership in those countries.

Central production units have historically been used primarily for our Education and Health & Welfare market contract catering customers, as a growing number of healthcare establishments are opting not to have on-site kitchens so that they can fully focus on care, while we recently increased the utilization of central production units for our Business & Industry market.

Equipment

We also enter into contracts on a regular basis for the purchase of crockery, cooking equipment, including cooking implements and kitchen equipment such as stoves, ovens and refrigerators. We enter into agreements with suppliers of such equipment on a national basis, although, to an increasing extent, we are harmonizing our equipment purchase framework contracts on an international basis. We endeavor to mitigate our exposure to any equipment manufacturer.

Suppliers

For the year ended September 30, 2020, we made approximately €1.3 billion in purchases from suppliers, of which more than 48% corresponded to ingredients. For the year ended September 30, 2020, 35.7% of our seafood products purchased were labelled under accreditation schemes, such as by the Aquaculture Stewardship Council, Good Agricultural Practice (GAP) or Best Aquaculture Practices. In addition, for the year ended September 30, 2020, 22.6% of our suppliers were responsibly sourced.

We have put in place central purchasing policies in 2018 at the Group level which has rendered our procurement policy more efficient. Our Central Procurement function that has a double role: (1) provide strategic direction, policies, methods and best practices to the Group and (2) leverage the scale of the Group by procuring goods and services in the appropriate categories.

International agreements might cover categories, like frozen vegetables, or include suppliers, such as Diversey, which covers our supply needs across Europe.

We handle the operational supply needs of our businesses on a country-by-country basis.

In each country, we operate a central purchasing department that handles the needs within that country in connection with the Central Procurement team.

Approximately 30% of our purchases are done by Elior Procurement teams (central or local). The remaining 70% are done by distributors.

We are party to distribution framework agreements with key distributors managing logistics hubs that serve as depots between our suppliers and our central kitchens and contract catering sites.

Distributors may procure the supplies from industrial suppliers with whom we have signed preferential agreements (at terms agreed between us and the industrial supplier, with the distributor receiving a fee for its logistics service) or purchase them from other suppliers (in which case we agree the terms of our purchase with the distributor). Our preferential supply agreements typically have a three-year term, with volumes for key products generally pre-booked one year in advance with no purchase obligation. The prices of supplies under these agreements are negotiated at regular intervals (typically every six to eight months) in order to account for fluctuations in price. Our other supply contracts generally have a one-year term, setting a fixed price but no purchase obligation for the supplies to be purchased thereunder.

For information regarding our equipment contracts see the section "*—Facilities and Equipment—Equipment.*"

We endeavor to mitigate our exposure to any single key supplier or equipment manufacturer. However, we are reliant on certain key suppliers.

We are especially attentive to the relations we have with our suppliers in order to ensure that they deliver us high-quality products and that they apply best social and environmental practices. The Group regularly carries out supplier audits to control the quality of their operations and the quality and traceability of their products.

Employees

As of September 30, 2020 we employed approximately 105,000 employees based in our six main countries and India: France (41.6%), Spain and Portugal (18.6%), the United States (14.8%), the United Kingdom (10.5%), Italy (9.8%) and India (4.2%).

We are committed to improving our employees' quality of life and offering them career development opportunities as we believe that these two factors are essential for motivating and retaining our people. As of September 30, 2020, the average seniority of Group employees on a permanent contract was seven years.

Insurance

We maintain insurance policies against various risks related to our business, notably property damage insurance, general liability coverage and directors and officers liability insurance. While we believe that we maintain an adequate level of insurance protection, there can be no assurance that our insurance coverage will be sufficient or effective under all circumstances and against all liabilities to which we may be subject.

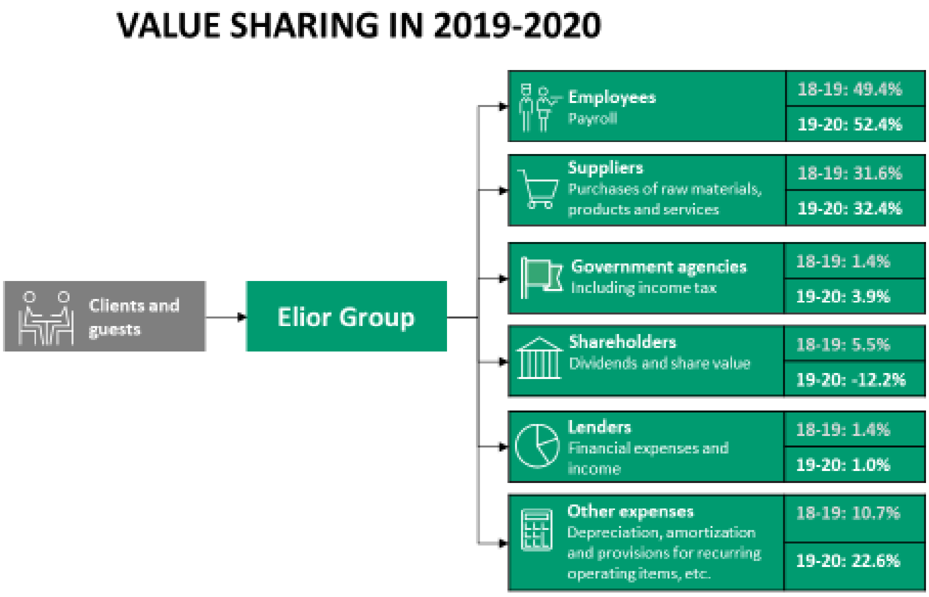
Legal and Arbitration Proceedings

We have been involved, and may be involved in the future, in various legal proceedings arising in the ordinary course of our business, including disputes concerning professional liability and disputes with employees. Although our legal and financial liabilities with respect to such proceedings cannot be estimated with certainty, we believe that there are no governmental, legal or arbitration proceedings that have had significant effects on the Group's financial position or profitability.

Corporate Social Responsibility

We are deeply committed to the health and well-being of all our guests, the development of all our employees, and the environmental impact of all our businesses. This commitment is clear in the strategy and action plans we have put in place for Corporate Social Responsibility (CSR) for over ten years now. As a signatory of the UN Global Compact since 2004, we firmly believe that our responsibility extends beyond the direct impacts of our business and that we must make a positive contribution to our ecosystem right across our value chain.

We have kept our promise to place sustainable development at the heart of our corporate strategy, as proved by the launch in 2016 of our CSR strategy called “The Elior Group Positive Foodprint Plan.” In 2019-2020, Elior generated €3,967 million in revenue and this value was shared between its various stakeholders (employees, suppliers, government agencies, shareholders and lenders) as shown in the diagram below.



In June 2019, Philippe Guillemot, Elior’s Chief Executive Officer, presented the Group’s new strategic plan, called New Elior. Covering the years up to 2024, this plan prioritizes the strong local roots of the Group’s contract catering and services activities. It also reiterates the central role that sustainable development plays in our everyday work and actions in order to create long-term value not just for the Group but also for all of its stakeholders.

After a good start to fiscal 2019-2020, our Education and Business & Industry markets were hit hard by the lockdown measures put in place in the countries where we operate as well as by an increase in home-working. In response to this unprecedented situation, we have accelerated our transformation process and reaffirm the goals of our New Elior 2024 strategic plan, including the key objective of actioning our CSR priorities across all of our operations. The current crisis period has also confirmed the importance of our business fundamentals concerning community catering, safety, and food hygiene. It has encouraged us to go even further in focusing on the added value of our offerings in order guarantee the well-being of our guests and respect the environment while providing dining experiences to savor.

Four Pillars of Responsibility

Elior has built its Positive Foodprint strategy around four pillars of responsibility, which were identified based on a materiality analysis performed in 2015:

- Healthy Choices
- Sustainable Ingredients
- Circular Model

➢ Thriving People and Local Communities

The relevance of these four priority areas was confirmed by the results of the non-financial risk mapping process carried out in 2018 and then updated in 2019 and 2020. In 2019, the Group revised its Positive Foodprint objectives as well as its CSR governance methods.

As stated above, due to the COVID-19 crisis, we have accelerated the rollout of our New Elior strategy – including the Positive Foodprint Plan – across all of our operations. Not least because sustainability is central to dealing with the current situation. And by building supply chains focused on safety, security and value we are making our Group more resilient to international crises.

Restated goals

We have defined the objectives for the priority areas set in the Positive Foodprint Plan in order to align them as closely as possible with the reality of our operations. Performance indicators have been put in place to guide the Group's action plans and assess the progress made (see table below).

	OBJECTIVES	KPIs
HEALTHY CHOICES	To prepare tasty, balanced meals, while raising the awareness of our guests about nutrition and public health issues and implementing rigorous food quality and safety standards.	• % purchases of whole-food and plant-based ingredients • % vegetarian recipes • % consolidated revenue generated by entities testing at least one nutritional information tool or system
SUSTAINABLE INGREDIENTS	To take positive action for our ecosystem by selecting high-quality ingredients (seasonal certified, local) and promoting environmentally-friendly agricultural practices in our supplier network.	• % purchases of certified produce • % purchases of local food produce • % purchases of responsible packaging and consumables
THRIVING PEOPLE AND LOCAL COMMUNITIES	To fill 70% of managerial posts through internal promotion by 2025.	• Internal recruitment rate (%)
A CIRCULAR MODEL	To limit food waste, To collect waste for reuse/recycling, To reduce our overall carbon footprint	• % of Elior sites collecting waste for reuse/recycling • % consolidated revenue generated by entities testing solutions to reduce food waste • Tonnes of CO_2 equivalent emitted

As a passionate campaigner for the transition to better food habits, we seek to transparently measure and constantly improve the value of our meals in terms of their impact on society, people and the environment. We endeavor to achieve this through offerings that:

- Are healthy and provide guests with transparent nutritional information as well as a wide choice of vegetarian options.
- Respect the environment, with a focus on certified sustainable supplies and measures to reduce food waste.
- Give people enjoyable dining experiences, by carrying out satisfaction surveys and being a "chef-centric" group.

In order to meet these objectives, each Elior Group subsidiary puts in place action plans and develops systems and processes to effectively address the challenges and restrictions of its particular market.

Stronger oversight

The Group assesses all of its non-financial indicators once a year. For some of the Positive Foodprint Plan's key performance indicators, however, we have set up a quarterly tracking process. On an aggregate basis, our non-financial performance indicators cover all of the geographic regions where we operate.

In addition, so as to give a straightforward and transparent overview of the Group's approach, Management has decided to report on some of these non-financial performance indicators when it releases its quarterly financial results. This means that all of its stakeholders can follow developments in the Group's non-financial performance.

Contributing to Sustainable Development Goals

The objectives in the Positive Foodprint Plan are aligned with the United Nations Sustainable Development Goals (SDGs). The Group has chosen to particularly focus on the four SDGs that directly relate to its operations, and particularly its catering business.

Positive Foodprint Plan	**Sustainable Development Goals**		**Description of SDG**
Healthy choices	3 GOOD HEALTH AND WELL-BEING	SDG 3: "Good health and well-being"	Ensure healthy lives and promote well-being for all at all ages.
Sustainable ingredients	2 ZERO HUNGER	SDG 2: "Zero hunger"	End hunger, achieve food security and improved nutrition and promote sustainable agriculture.
A circular model	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	SDG 12: "Responsible consumption and production"	Ensure sustainable consumption and production patterns.
Thriving people and local communities	8 DECENT WORK AND ECONOMIC GROWTH	SDG 8: "Decent work and economic growth"	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

CSR Governance

In order to help achieve the objectives in our Positive Foodprint Plan, we have set up a specific CSR governance system. The underlying purpose of this system is for the Group to more effectively factor in its corporate social responsibility across its entire organization, from its management bodies through to its operations teams.

Group CSR Committee

Set up in 2019, the Group CSR Committee is chaired by Elior's Chief Executive Officer, Philippe Guillemot, and its permanent members include the people responsible for each of the Positive Foodprint Plan's priority areas at Group level: the Chief Procurement and Logistics Officer, the Chief Human Resources Officer and the CSR Officer. The Group Chief Communications Officer is also a permanent member of this Committee.

The Committee's role is to validate strategic decisions relating to the Positive Foodprint Plan's priority areas, monitor the Plan's developments and adjust its priorities in line with changes in the Group's operating environment. It meets at least four times a year and, depending on the matters being addressed, may invite other participants to attend, either from within or outside the Group.

Strategy, Investments and CSR Committee

Each year, the headway made by the Group in terms of the Positive Foodprint Plan's objectives is shared with the Board of Directors via the Strategy, Investments and CSR Committee. Comprising four members, the CSR Committee advises the Board on strategic and investment decisions. It assesses the Group's CSR values and commitments and helps ensure they are effectively taken into account in the Board's decisions.

Network of CSR officers

The CSR officers are in charge of deploying the Positive Foodprint Plan's commitments in the Group's various operational entities. They are appointed by the entities' CEOs and are tasked with defining and implementing action plans adapted to their respective markets and businesses. In fiscal 2019-2020, 100% of the Group's consolidated revenue was covered by the network of CSR officers.

Non-Financial Risk Map

In 2015, Elior created a materiality matrix, which it then used in 2016 as the basis for its first non-financial risk map validated by the Group's governance bodies. A restricted risk universe was mapped out based on the Group's business sectors, geographic locations and main strategic goals, incorporating around twenty risks (identified via the materiality analysis) that could significantly impact the Group's business or its stakeholders. Out of this mapping process twelve main environmental, HR and social risks were identified: (1) Unethical practices and lack of transparency, (2) Failure to include CSR criteria in procurement practices, (3) Failure to adapt to guests' new expectations, (4) Poor hygiene and food safety, (5) Poor working conditions, (6) Inequality and discrimination, (7) Failure to attract and retain talent, (8) Failure to include CSR criteria in pay structures, (9) Failure to protect employees' health and safety in the workplace, (10) Poor resource and waste management, (11) Environmental pollution (water, air) and (12) Poor use of water and energy.

In 2019-2020, we launched a project to integrate these twelve priority non-financial risks into our internal risk management system. This update to the non-financial risk map confirmed that the four pillars of the Positive Foodprint Plan are still highly relevant and did not identify any new CSR risks. Nine of the twelve risks already formed part of the risks regularly monitored by the Group.

Two further risks have been added to the Group's risk management system: waste management and climate change & environmental pollution (a merger of two risks identified in 2018). The gross criticality of these risks will be assessed using an approach consistent with that applied by the Risk Management Department, based on two criteria: the level of impact if the risk occurs and the probability that the risk will occur. This gross criticality analysis will be supplemented in the future by an analysis of the risks' net criticality following the rollout of the multi-year audit plan.

Conducting Business Responsibly

At Elior we make sure that all of our business activities are conducted in compliance with ethical principles and the applicable national laws and regulations. In France, since the introduction of the anti-corruption provisions of the "Sapin II" Act and the new Duty of Vigilance Act, companies are required to set up structured systems for overseeing measures related to combating corruption, human rights breaches and environmental damage, as well as health and safety issues.

We undertake our responsible business activities through:

- An ethical principles framework for all employees;

- An internal anti-corruption system;
- Risk mapping;
- Employee trainings;
- A responsible procurement charter; and
- A procurement risk mapping.

REGULATION

We are subject to various laws and regulations issued by local, national and other government entities in each of the countries in which we operate, as well as at the European Union level. Our contract catering business is particularly subject to laws and regulations regarding hygiene, food safety and food labeling. Additionally, we are subject to labor and employment laws and regulations across all of our operations and host countries.

In 2020, new laws and regulations were introduced in the countries where the Group operates as part of the fight to contain the spread of COVID-19. For example, in Italy a temporary governmental decree was published which almost totally prohibited the movement of people throughout the country. A raft of rules and guidelines have also been issued concerning social distancing, wearing face masks and limiting the number of people in the workplace.

In response to the crisis, the Group introduced new health and safety protocols in all of its host countries to ensure a safe environment for its clients and employees. In the United Kingdom, the Group’s COVID-19 safety measures were officially approved by the Cheshire East Primary Authority, and in Italy, Elior developed its COVID-19 safety plan in collaboration with the University of Milan. In France, a COVID-19 prevention guide was drawn up in association with Dr. François Henri Bolnot and its content was approved by the Group’s occupational physician.

Food safety regulations

Food safety is a fundamental aspect of the Group's business as a food services provider. Serving food that is safe and has been prepared and distributed in accordance with the applicable regulations is an underlying prerequisite for clients and is the foundation for the trust they place in the Group. In its contract catering operations, the Group is subject to extensive laws, regulations and other requirements relating to food safety, hygiene and nutrition standards in each of the countries in which it operates, whether at local, national or EU level (for its operations in the European Union).

Food safety and hygiene

European Union

A set of rules known as the "Hygiene Package" has been applicable in the European Union since January 1, 2006. The introduction of this legislation was aimed at creating a single, transparent hygiene policy applicable to all food and all food operators right through the food chain "from farm to fork,” together with effective instruments to manage food safety and any future food crises throughout the food chain.

For its catering operations the Group is subject to five of the Hygiene Package's regulations:

Regulation (EC) No. 178/2002 dated January 28, 2002 (also called the “**General Food Law**”) lays down the general principles of food safety and covers foodstuffs intended for human consumption and animal feed. This Regulation also established the European Food Safety Authority (“**EFSA**”) and the Rapid Alert System for Food and Feed (“**RASFF**”) in the European Union.

The EFSA assesses and communicates on all risks associated with the food chain in order to provide guidance and clarity for the policies and decision making of food safety risk managers. A large part of the EFSA's work entails issuing scientific opinions on matters that affect food safety. The EFSA uses its expertise in playing an advisory role for European legislation on food safety, deciding whether to approve regulated substances such as pesticides and food additives and developing regulatory frameworks and policies in the field of nutrition.

The RASFF is an alert system that warns each EU country's health authorities whenever a risk is identified for a food product.

The General Food Law establishes general principles (e.g. use of risk analyses by the relevant authorities, the precautionary principle, the principle of transparency and the protection of consumers' interests) and sets out specific obligations for professionals, including traceability, recalling any products that may present a public health risk, and informing the relevant inspection authorities.

In particular, the General Food Law requires food business operators to ensure that businesses under their control satisfy the relevant requirements and to verify that such requirements are met at all stages of production, processing and distribution. It also imposes a mandatory traceability requirement along the entire food chain that applies to all food and all types of operators in the processing, transportation, storage, distribution and retail stages. Each food operator is required to register and retain for a period of five years detailed product information (including the name and address of the producer, the nature of the product and the transaction date) and make such records immediately available to the relevant authorities upon request.

Regulation (EC) No. 852/2004 dated April 29, 2004 on the hygiene of foodstuffs applies to all food businesses (including caterers, primary producers, manufacturers, distributors and retailers).

This Regulation requires, among other things, that food chain players set up procedures based on the principles of Hazard Analysis Critical Control Points ("**HACCP**") which should take account of the seven Codex Alimentarius principles (a program set up jointly by the United Nations Food and Agriculture Organization ("**FAO**") and the World Health Organization). HACCP is a process control system which is used to identify potential food safety hazards and take action to reduce or eliminate the risks related to the various stages of the product manufacturing process, including ensuring the safety of raw materials, validating internal processes, shelf life and end-consumer usage. The Regulation also requires that employees undergo training on food hygiene matters and the application of HACCP principles. In addition, it sets out obligations for meal-delivery firms in terms of declaring and registering food information with the food control authorities and requesting authorizations.

Regulation (EC) No. 853/2004 dated April 29, 2004 includes more stringent requirements for food products of animal origin, such as meat, fish and dairy products, and foods containing such products. European legislation regulates the temperature settings at which these products must be kept as well as the length of time for which they can be displayed.

Regulation (EC) No. 2073/2005 dated November 15, 2005, as amended by regulation (EC) No. 2019/229 dated February 7, 2019, is an implementing regulation covering microbiological criteria for foodstuffs. These criteria are used for assessing the compliance of products when setting the shelf life of products or for health and hygiene controls.

Regulation (EC) No. 2017/2158 dated November 20, 2017, establishing mitigation measures and benchmark levels for the reduction of the presence of acrylamide in food.

France

In France, the main food safety regulator is the Agency for Food, the Environment and Occupational Health and Safety (*Agence Nationale de Sécurité Sanitaire de l'Alimentation, de l'Environnement et du Travail*, or "**ANSES**"). ANSES is a governmental agency that is overseen by the Ministries of Health, Agriculture, the Environment, Labor and Consumer Protection. It acts as a watchdog and advisory specialist for a wide range of issues related to human and plant health and animal health and welfare, and also carries out research activities in these areas. It applies a holistic approach to health issues by analyzing all of the related risks and benefits. It assesses all of the risks (chemical, biological, physical, etc.) to which an individual may be exposed - voluntarily or involuntarily - at all ages and times of their life, whether at work, when traveling, during leisure time, or through the food they eat.

French food safety regulations incorporate the standards provided for in EU legislation on food safety. They also include the requirements of:

The governmental decree of December 21, 2009 (consolidated version of May 25, 2020) concerning the temperature settings at which animal-derived products must be kept, and specific provisions relating to contract catering establishments (display dishes, the obligation to report to the authorities any suspected cases of food poisoning, procedures for managing unsold food etc.), supplemented by the decree dated October 8, 2013 relating to foodstuffs that are not derived from animal goods.

The governmental decree of February 2, 2015 relating to the definition of the concept of local distribution, implementing Regulation (EC) No. 37/2005 and rescinding the decree dated July 20, 1998 setting the technical and hygiene conditions for food transportation.

The governmental decree of June 8, 2006 concerning health and hygiene ratings for companies that market products of animal origin and foodstuffs containing animal products, as amended by decree on May 19, 2020.

In addition, Elior France is subject to certain provisions of the French Rural Code (*Code rural*) dealing with food safety, epidemiology concerns related to products of animal origin, animal feed, and animal health.

Elior France also has to follow the instructions issued by the French Food Safety Agency (*Agence Française de Sécurité Sanitaire des Aliments*) ("**DGAL**"), notably:

- Technical Instruction DGAL/SDSSA 2019--38 dated January 1, 2019, which merges all of the DGAL memoranda relating to the approval procedure provided for in Regulation (EC) No. 853/2004. This instruction particularly specifies the approval procedure to be followed by central production units, events caterers and group cooking workshops, as well as the terms and conditions applicable for the Agency's delivery and tracking of health and hygiene certifications.

- Technical Instruction DGAL/SDSSA/2020 – 289, which specifies the health and hygiene regulations applicable to retail trade and the transportation of animal-origin products and foodstuffs containing animal products. It presents the consequence of synchronous amendments to several ministerial decrees, including those of December 21, 2009 and April 12, 2017 defining the foodstuffs that cannot be included in donations to charitable organizations. It also merges and updates information previously included in several separate technical instructions in order to take into account recent regulatory and infra-regulatory developments.

- Technical Instruction DGAL/SDSSA/2019-861, which provides a general description of the resources available to food industry players for determining, validating and verifying the microbiological shelf-life of the foodstuffs they produce and sell.

Lastly, Elior France is subject to Article 50 of the so-called "EGALIM" Act (French Act no. 2018-938 dated October 30, 2018) concerning balanced trade relations in the agricultural sector and access to healthy and sustainable food, which is referred to in the DGAL's Technical Instruction DGAL/SDSSA/2019-555 dated July 30, 2019. This article incorporates one of the basic principles of Regulation (EC) No. 178/2002 in that it introduces a requirement for food operators to immediately inform the competent authorities if, based on their own risk assessment, they consider that a product may be injurious to human or animal health.

Italy

In Italy, the main regulatory authority for food safety is the Ministry of Health. Decree no. 123 dated March 3, 1993, transposing into Italian law the European Council Directive 89/397/EEC of June 14, 1989 on harmonizing the official control of foodstuffs in the European Union, covers all stages of the food industry: production, manufacture, processing, storage, transport, distribution and trade. It authorizes the performance of the following operations: inspections, sampling, laboratory analysis of samples taken, verification of staff hygiene, and a review of formal documentation and systems used by companies. Italian food safety regulations incorporate the standards provided for in EU legislation on food safety. (Regulation (EC) No. 852/2004, Regulation (EC) No. 2073/2005 - 1441/2007, Regulation (EC) No. 1935/2004 on materials and articles intended to come into contact with food and repealing Directives 80/590/EEC and 89/109/EEC, and subsequent amendments and additions).

Another major food safety regulation applicable in Italy is legislative decree 193, dated November 6, 2007, which entered into force on November 24, 2007 and concerns the implementation of Directive 2004/41/EC relating to safety controls on foodstuffs and the application of European Community regulations concerning such controls. This legislative decree sets out the sanctions that apply in the event of non-compliance with EU food safety regulations, notably regulations 852/2004 and 853/2004.

The other major food safety regulations applicable in Italy are Regulation No. 1169 of October 2011 relating to labeling, and legislative decree 231 of December 2017 concerning sanctions.

In addition to national and European-level food safety and hygiene regulations, the Group is subject to regional and provincial food safety obligations in Italy.

The main food safety supervisory bodies in Italy are:

- The Ministry of Health, notably through programs set up by the food safety and nutrition department (*Direzione generale per l'igiene e la sicurezza degli alimenti e la nutrizione*).
- The public health institute (*Istituto Superiore di Sanità*).
- The Italian police's food and drug control unit (*Nuclei Antisofisticazione e Sanità (N.A.S.) dei Carabinieri*), whose role is mainly to prevent and sanction.
- The local health authorities (*Aziende Sanitarie Locali*) which have inspection powers.
- The government's veterinary services.
- The Ministry of Agriculture (*Ministero delle politiche agricole alimentari e forestali*).

Spain

In Spain, the main food safety regulator is the Spanish Agency for Food Safety and Nutrition (*Agencia Española de Seguridad Alimentaria y Nutrición*, or the "**AESAN**"). The Group is subject to food safety regulations promulgated and enforced by the AESAN at national level, such as the General Health Act 14/1986, the Consumers and Users Protection Act 1/2007 and the Food Safety and Nutrition Act 17/2011.

As well as being required to hold specific authorizations to conduct business as a food operator in Spain, since the promulgation of Royal Decree 3484/2000 of December 2000 and Royal Decree 126/2015 of February 2015, the Group is also subject to specific hygiene rules for preparing pre-cooked meals as well as requirements to ensure that food handlers are supervised and instructed in food hygiene matters in a way that is commensurate with their professional activities. In addition to national food safety laws and regulations, the Group is also subject to specific obligations under local regulations applicable in the Spanish autonomous regions in which it operates.

United Kingdom

In the United Kingdom, the main food safety regulators are the Food Standards Agency (the "**FSA**") for England, Wales and Northern Ireland, and Food Standards Scotland ("**FSS**") for Scotland. The FSA and FSS are responsible for food safety and food hygiene across the United Kingdom. They work with local authorities to enforce food safety regulations and inspect meat plants to check compliance with the applicable regulations. The FSA also commissions research related to food safety. Key laws applying to food safety and hygiene in the UK include the General Food Law Regulation (EC) 178/2002 as well as the Food Safety Act of 1990 and Northern Ireland's Food Safety Order of 1991, as amended to bring them into line with the EU General Food Law.

The four countries of the United Kingdom have their own statutory rules which are detailed in:

- The Food Safety and Hygiene (England) Regulations 2013.
- The Food Safety and Hygiene (Scotland) (Amendment) Regulations 2012.
- The Food Hygiene (Wales) (Amendment) Regulations 2012.
- The Food Hygiene (Northern Ireland) Regulations 2006.

In conjunction with the legislation, the FSA writes guidance when there is a significant risk to food safety within the UK.

In the United Kingdom, the FSA, FSS and local authorities work in partnership to operate three food safety rating schemes: The Food Hygiene Rating System (FHRS) in England and Northern Ireland, the Food Hygiene Rating Act (Wales) 2013 and the Food Hygiene Information Scheme ("**FHIS**") in Scotland. Within the UK, there is a statutory scheme called Primary Authority – established by the Regulatory Enforcement and Sanctions Act 2008 – which allows an eligible business to form a legally recognized partnership with a single local authority in relation to regulatory compliance. Elior UK has a direct partnership with Cheshire East Council, which acts as the company's Primary Authority, giving it authorizations and advice in relation to its management systems for food safety, hygiene and other safety issues.

United States

In the United States, food safety regulations are promulgated at the federal, state and local level. State and local agencies issue the regulations to be applied by restaurants and other catering establishments located within their jurisdiction. The US Food and Drug Administration (FDA) publishes the Food Code, a model that assists food control jurisdictions at all levels of government by providing them with a scientifically sound technical and legal basis for regulating food safety within the food services industry. Most States use the FDA Food Code as a model to develop or update their own food safety rules and to be consistent with national food regulatory policy. The FDA regulates all foods and food ingredients introduced into or offered for sale in interstate commerce, with the exception of meat, poultry, and certain processed egg products, which are regulated by the US Department of Agriculture.

For the Group's US operations, hygiene and food safety are principally governed by local and federal rules and regulations. These rules and regulations are adopted by the FDA by way of Title 21 of the Code of Federal Regulations (CFR).

The Group's regulatory compliance measures in the United States include:

- Outsourcing food safety and hygiene audits to an approved independent organization.
- Pest management.
- Using the services of an independent inspection company.
- Using "safety information sheets" drawn up by a specialized chemical safety services firm.
- Commissioning an accredited laboratory to carry out tests on meals served.

All of the Group's distributors and suppliers are authorized and approved by local and state regulatory bodies and comply with the 2013 Food Safety Modernization Act ("**FSMA**").

All of the Group's food managers are required to follow a food safety training course and to obtain food manager certification, which needs to be renewed every five years.

The Group operates in 48 different US States, which each have their own food hygiene rules and regulations.

As well as its catering activities, Elior North America has food production and processing operations which must be compliant with HACCP (Hazard and Critical Control Points) and HARPC (Hazard Analysis and Risk-based Preventive Controls) rules.

India

In India, food safety regulations are promulgated at federal and state level. At federal level, the main food safety agency is the Food Safety and Standards Authority of India (the "**FSSAI**"). The FSSAI regulates all foods proposed for sale, including dairy products and products containing poultry. It also certifies all commercialized food ingredients and products and each operator and vendor must have FSSAI certification, which is renewed annually following a detailed inspection. A state-level liaison officer regularly verifies that the applicable regulations and requirements are complied with. In addition, a regulatory authority carries out compliance inspections at regular intervals, and all operators have to follow a certified food safety training program and have a supervisor who has received training under the Food Safety Training and Certification ("**FoSTAC**") program.

Elior India only deals with suppliers which are FSSAI certified and uses an independent national company for performing prevention checks.

Food labeling

Prepacked food that the Group sells must comply with European Union labeling requirements, notably European Directive 2000/13/EC of March 20, 2000 relating to the labeling, presentation and advertising of foodstuffs.

The applicable EU Law on the provision of food information to consumers was consolidated and updated by EU Regulation 1169/2011 of October 25, 2011, which has been effective since December 13, 2014. This Regulation makes a distinction between the information that must be given for prepacked food and non-prepacked food, and provides for harmonized and compulsory nutritional information labeling for prepacked food effective December 2016. In its catering activities, the Group is required to provide information on whether its food contains any of the 14 major allergens set out in Annex II of this Regulation.

Other EU regulations concerning food labeling include Regulation (EC) No. 1379/2013, which amends the labeling requirements for fishery and aquaculture products, and Regulation (EC) No. 1337/2013, which amends the labeling requirements for meat from pigs, sheep, poultry and goats.

Local and national authorities may also introduce specific regulations or decrees clarifying particular points in the European regulations.

For example:

- In France, the implementing decree 2015/447 dated April 17, 2015 – which has been effective since July 1, 2015 – clarifies the procedures for applying Regulation (EC) No. 1169/2011; decree no. 2002-1465 has regulated the labeling of beef in catering establishments since December 17, 2002; and the government order dated May 5, 2017 sets out the conditions for labeling manufactured nanomaterials in foodstuffs.

- In Italy, several documents have been published relating to Regulation (EC) No. 1169/2011, including two memoranda issued by the Ministry of Health on February 6, 2015 related to information on the presence of allergens in food and beverages and the Ministry of Health/Ministry of Economic Development on November 16, 2016 related to foodstuffs that are not subject to nutritional disclosure requirements.

- The Italian government has also issued a Legislative Decree related to EC Regulation No. 1169/2011 (decree No. 231 dated December 15, 2017, which came into force on May 9, 2018): "Sanctions applicable in the event of a breach of Regulation (EC) No. 1669/2011 on the provision of food information to consumers, and alignment of national legislation with Regulation (EC) No. 1669/2011 and Directive 2011/91/EU, in accordance with Article 5 of Act no 170-2015 dated August 12, 2016 on European delegation." These provisions are in line with the following standards of the Codex Alimentarius international food safety standards:

    - CODEX STAN 1–1985 (Rev.1-1991), Codex General Standard for the Labelling of Prepackaged Foods, and the subsequent amendments thereto.

    - CAC/GL 1-1979 (Rev. 1-1991), General Guidelines on Claims, and the subsequent amendments thereto.

    - CAC/GL 2-1985 (Rev. 1-1993), Guidelines on Nutrition Labeling, and the subsequent amendments thereto.

    - CAC/GL 23-1997 (Rev. 1-2004), Guidelines for Use of Nutrition and Health Claims, and the subsequent amendments thereto.

- In Spain, food labeling is governed at national level by Royal Decree 126/2015, which sets out disclosure requirements concerning ready-to-eat, non-prepacked food.

- In the United States, food labeling is generally regulated by the US Department of Agriculture ("**USDA**"), the Food and Drug Administration ("**FDA**") and the Federal Trade Commission ("**FTC**").

- The Federal Food, Drug and Cosmetic Act ("**FFDCA**") prohibits false and misleading labeling and sets out the labeling requirements for processed and prepacked food.

Prepacked food provided in locations where food is “served for immediate consumption,” such as catering establishments, hospitals, schools, cafeterias, bakeries, etc., must comply with sections 101.1 et seq. of Title 21 of the Code of Federal Regulations (21 CFR) which state that labels must show the common name of the food item, its ingredients, the name/place of sale, its net quantity and its nutrition claims. In addition, any potential presence of the main food allergens must be stated on the labels (and any other forms of display). Since May 7, 2018, restaurants and similar retail food establishments that are part of a chain with 20 or more locations, doing business under the same name, and offering for sale substantially the same menu items have also been subject to "menu labeling regulations.” These regulations state that such establishments have to provide calorie information for standard menu items and ensure that additional nutrition information is available on request.

Other food service-related regulations

In recent years, a number of national and local authorities have introduced specific regulations motivated by concerns about public health and environmental protection. These regulations cover, among other things, enhanced nutritional information for foodstuffs, requirements to use recyclable packaging, and additional taxes on food and beverages with high sugar content.

Additionally, the Group's operations in the education sector can be subject to specific regulations concerning the nutritional quality of meals served in school restaurants. This is notably the case in France (Decree 2011--1227 of September 30, 2011). Pursuant to this decree, the Group has a number of obligations it is required to respect in relation to drawing up menus for restaurants in state-run and private schools, in accordance with the recommendations set out in the French National Nutrition and Health Program (*Programme National Nutrition Santé*) and those issued by the GEMRCEN (a French governmental think-tank specialized in nutritional issues in the contract catering industry).

New food service-related regulations were introduced in France in 2020: Act 2020-105 dated February 10, 2020 concerning the fight against waste and for a circular economy, which includes anti-food waste provisions and provides for ending the sale of single-use plastic packaging; and the related Decree (no. 2020-731 dated June 15, 2020) relating to the VAT exemption on donations of unsold goods to state-recognized social charities.

Restaurant facilities are also subject to regulations promulgated by national, regional and local authorities covering a wide range of matters such as the utilization and maintenance of restaurant sites and equipment and waste storage and disposal.

In addition, for catering sites or points of sale at which the Group serves alcohol, it is required to obtain liquor licenses and is subject to ongoing alcoholic beverage control obligations. Elior UK has developed tailored learning programs to teach its employees about the legislation related to serving alcohol, and in Scotland all employees who handle and serve alcohol are required to follow a two-hour training course beforehand.

In Portugal, Decree Law No. 10/2015 dated January 16, 2015 approved the legal framework for (i) accessing and exercising trade activities and food and beverage services and (ii) accessing trade, services and catering activities (RJACSR).

The Group is also required to comply with anti-smoking laws prohibiting smoking at dining establishments, such as the laws applicable in France since January 1, 2008 and in Italy since January 10, 2005 (Law no. 3/2003 dated January 16, 2003).

Labor and employment laws and regulations

In general, labor and employment laws and regulations have a significant impact on the Group's operations because of its large headcount, which, at September 30, 2020, comprised 105,000 employees. The Group is particularly affected by French legislation due to the high proportion of its employees based in France (over 40%).

Specific context of the COVID-19 crisis

In all of the Group's host countries, the COVID-19 crisis has led to changes in the regulatory framework in two main areas: (i) health and safety protocols to protect employees, guests and clients, and (ii) measures to adapt resources to business volumes in order to limit the impact of the crisis to the extent possible.

The regulatory framework evolved rapidly in 2019-2020 as the crisis advanced and as governmental decisions were taken. The fast-moving changes required all of our teams to be highly reactive and adaptable, not only in the sectors that were initially heavily impacted by reduced activity (Business & Industry and Education) but also in sectors that were stretched for resources, such as Health & Welfare.

In each of its operating countries, the Group implemented all of the measures it could to adjust its resources and organization to the situation. In particular, employees were asked to take paid vacation, internal mobility was encouraged, and short-time working and furlough programs were used.

The Group was often one step ahead concerning health and safety protocols, advising its clients how to define and implement them, which meant it could provide a continuity of service that matched their needs.

Laws and regulations governing employment contracts

In most of the countries in which the Group operates, the traditional model of employment law is based on an employment contract signed between the employer and employee before or at the time the employee is hired. Fundamentally, the employment contract defines the employee's and employer's responsibilities, sets out the wage to be paid to the employee in return for his or her services, establishes the employee's working time and is entered into for an indefinite or pre-determined duration. Many features of employment contracts are subject to mandatory provisions of labor laws and regulations as well as to the provisions of collective bargaining agreements.

Collective bargaining agreements

Under French, Spanish and Italian law, the employer-employee relationship is not only regulated by applicable legislation and the employment contract executed between both parties, but also by industry-wide collective bargaining agreements ("CBAs"). CBAs may exist at national, regional or local level or be specific to a particular company. CBAs are agreements entered into between one or several trade union organizations representing employees, on the one hand, and an employer, or group of employers, on the other hand. National labor laws and CBAs constitute important sources of obligations relating to working conditions and govern the individual and collective relationships between employers and employees for the relevant industry. CBAs typically address (with respect to individual employees) matters such as working conditions and employment-related benefits, pay scales (with an industry specific minimum wage), working time, sickness and maternity leave, professional training, paid vacation, social welfare coverage and retirement fund contributions, year-end bonuses and financial terms of dismissals or retirement.

The scope of each national CBA is defined by reference to a given industry or type of business. Therefore, the applicable CBA for a company depends its principal business activity. Owing to the broad range of the Group's services, from diverse catering services to facility management services, it is subject to several different CBAs. As the terms of CBAs can vary significantly from one activity to another, within the same country the Group may have different responsibilities towards different categories of employees based on the business in which they operate.

All CBAs provide for a minimum wage that varies according to the classification of employees and the applicable pay scale. However, the wage of an employee cannot be below the statutory minimum wage that is set for all employees, regardless of classification, at national level. Trade unions renegotiate the terms of the industry-wide CBAs almost every year, including the terms of any increase in the minimum wage for each employee category. Companies to which the CBAs apply have an obligation to comply with these provisions by granting at least a corresponding salary increase every year, failing which employees may make legal claims for the enforcement of the industry-wide CBAs, back pay and damages.

In France, employers may also enter into company-wide CBAs to address specific matters such as working time, salary levels, and welfare benefits.

Part-time and temporary work

At September 30, 2020, almost half of the Group's staff were employed on a part-time basis. Part-time employment is subject to specific laws and regulations in some of the countries where the Group operates. For example, under French law, part-time employment contracts must include certain mandatory provisions, such as the number of hours worked per week or per month, the arrangements for communicating the scheduling of hours worked per week or per month, and the maximum number of overtime hours that the employee can work per month. If a company is found not to be in compliance with regulations on part-time employment, the employee concerned may seek to reclassify his or her part-time employment contract as a full-time employment contract, and may also claim back pay and damages.

The Group is likewise restricted in the manner in which it may hire temporary workers. For example, under French law, an employer wishing to take on non-permanent workers may either hire an employee under a fixed-term employment contract or take on a temporary worker through an agency. The use of fixed-term employment contracts/temporary workers must be restricted to the performance of clearly defined and temporary tasks in specific circumstances provided by law (e.g., (i) to replace an employee on a temporary leave of absence or whose employment contract is suspended, (ii) to temporarily fill a position before an employee can be hired under a permanent employment contract or, after a permanent employee has left, before the position is eliminated, or (iii) to cover a temporary increase in the company's business). In particular, the Group may not use fixed-term employment contracts/temporary workers to fill a post on a long-term basis in connection with its ordinary and ongoing business.

Employee representation

Right to representation and trade unions

In the majority of the countries in which the Group operates, its employees have the legal right to elect representatives from among their ranks to act as a liaison between the workforce and management. Such employee representatives are responsible for presenting to the employer all requests and grievances from employees, notably regarding compensation and compliance with applicable labor laws and CBAs. The employer is required to regularly provide the employee representatives with information regarding various matters such as working conditions and the company's financial situation. Depending on the country, employee representatives may also be responsible for notifying the relevant labor regulation enforcement authority of any claims or grievances from employees related to a breach of labor laws or regulations. Employers may also be exposed to the risk of strikes and work stoppages.

In addition, employees may choose to join a trade union to represent their interests. Depending on the country concerned and the size of any given worksite, the Group may be obliged to recognize the trade union and allow employees to unionize. In certain countries, such as France, there is a limited number of nationally-recognized trade unions that are given the legal authority to negotiate national and company-specific CBAs.

Works councils – Employee representative bodies

In accordance with EU law, the Group has a European works council in place that serves as a forum for employee representatives to engage in direct discussions with members of Group management. EU law requires any company that has (i) subsidiaries in at least two different EU member states, (ii) at least 1,000 employees in EU or EEA member states, and (iii) a minimum of 150 employees in at least two EU member states, to set up a European works council (an "**EWC**"). EWCs bring together employee representatives from the different European countries in which a multinational company has operations. During EWC meetings, employee representatives are informed and/or consulted by Group management on transnational issues that concern the Group's employees.

National labor laws in most of the countries in which the Group operates also require the establishment of a local Social and Economic Committee ("SEC") The frequency of SEC meetings, the amount of information that must be provided to its members, and how SEC opinions must be taken into account vary from country to country. In France, certain employer decisions relating to issues such as workforce reductions or changes in the legal and/or financial organization of the company (in particular in the case of a merger or a sale of assets or shares) require a prior information and/or consultation process to be carried out with the relevant SECs (local and/or central and/or European). In such cases, no final decision may be taken before the relevant employee representative body has delivered its formal opinion (whether negative or positive) on the proposed decision.

Employee representation on corporate boards

In France, employees may be represented on their company's Board of Directors (or Supervisory Board where applicable). Companies that for the past two consecutive fiscal years have had either (i) 1,000 permanent employees or more on their payroll who work for the company or its direct or indirect subsidiaries with registered offices located in France, or (ii) 5,000 permanent employees or more worldwide who work for the company or its direct or indirect subsidiaries with registered offices located in France and abroad, must appoint at least one – and in certain cases – two Board members representing employees.

Article L. 22-10-7 of the French Commercial Code provides that a holding company whose principal activity is to acquire and manage subsidiaries and affiliates is not subject to this requirement concerning employee representation on its board, if it meets both of the following criteria:

- It is not required to put in place a social and economic committee pursuant to Article L. 2311-2 of the French Labor Code.
- It owns, either directly or indirectly, one or more subsidiaries that are subject to the above requirement.
- Its shares are not traded on a regulated market or at least four-fifths of its shares are held, directly or indirectly, by one person or legal entity, acting alone or in concert.

Consequently, in accordance with the French Commercial Code, at the Annual General Meeting of March 20, 2020, the shareholders approved amendments to the Company's bylaws providing for the appointment of two employee representative members of the Board of Directors.

In addition, for companies whose shares are traded on a regulated market, if at the close of the last fiscal year employees held more than 3% of the share capital, the company's shareholders must appoint one or more employees to the Board of Directors or the Supervisory Board to represent employee shareholders, who are put forward by the shareholders referred to in Article L. 225-102 of the French Commercial Code.

Workplace health and safety

The Group is also subject to regulations related to employees' health and safety in the workplace. Such regulations may require companies to put in place operational procedures to ensure that their working practices are safe and to reduce potential workplace hazards.

Occupational health and safety matters are regulated and enforced by a variety of authorities, including the European Agency for Safety and Health at Work, the French *Directions régionales des entreprises, de la concurrence, de la consommation, du travail et de l'emploi* (regional directorates of companies, competition, consumption, labor and employment), the UK Health & Safety Executive, and the US Occupational Safety and Health Agency.

MANAGEMENT

*The following is a summary of certain information concerning our management, certain provisions of our bylaws (statuts), the recommendations of the AFEP-MEDEF Corporate Governance Code for listed companies (the "**AFEP-MEDEF Code**") and French law regarding corporate governance. This summary is qualified in its entirety by reference to the bylaws of the Issuer, the AFEP-MEDEF Code and/or French law, as the case may be, and it does not purport to be complete.*

The Issuer is a French société anonyme with a Board of Directors. The two roles of Chairman and Chief Executive Officer have been separated since November 1, 2017 with a view to enabling the Company's corporate governance bodies to function more effectively.

The following sets forth a summary of the composition and duties of the Board of Directors and its committees.

Board of Directors

Composition of the Board of Directors

The Board of Directors comprises eleven directors, five of whom are independent, four of whom are women and two of whom are employee representatives. Directors are generally elected for four-year terms, but in order to stagger the directors' terms the shareholders in a General Meeting can elect some directors for a shorter term or reduce the terms of one or more directors. In accordance with the French Commercial Code and the AFEP-MEDEF Code, the employee representative directors are not included in the calculation of the proportion of independent directors on the Board or its gender ratio.

The Issuer's aim is to ensure that a wide range of skills are represented on the Board and that the gender balance complies with the relevant legal requirements.

The following table sets forth the names, ages and titles of the current members of the Board of Directors:

Name	Position (quality)	Date first elected/appointed as director	Expiration date of current term of office
Gilles Cojan(*)	Chairman	November 1, 2017	Shareholder's annual general assembly 2023
Philippe Guillemot	Chief Executive Officer	March 9, 2018	Shareholder's annual general assembly 2022
Sofibim, represented by Robert Zolade	Director (Honorary Chairman)	June 11, 2014	Shareholder's annual general assembly 2024
Gilles Auffret	Director (Senior Independent Director)	March 11, 2016	Shareholder's annual general assembly 2022
Anne Busquet	Director (Independent)	March 11, 2016	Shareholder's annual general assembly 2022
Emesa Corporación Empresarial, S.L., represented by Vanessa Llopart	Director (Independent)	March 9, 2018	Shareholder's annual general assembly 2024
Fonds Stratégique de Participations, represented by Virginie Duperat Vergne	Director (Independent)	March 9, 2018	Shareholder's annual general assembly 2022

Bernard Gault	Director (Independent)	March 11, 2016	Shareholder's annual general assembly 2022
Rosa Maria Alves..	Director (Employee Representative)	Nov. 24, 2020	Shareholder's annual general assembly 2024
Luc Lebaupin	Director (Employee Representative)	Nov. 24, 2020	Shareholder's annual general assembly 2024
Servinvest, represented by Sophie Javary	Director	March 11, 2016	Shareholder's annual general assembly 2024

The following paragraphs set forth biographical information regarding the members of the Board of Directors.

Gilles Cojan graduated from ESSEC business school in 1977. He joined Elior in 1992, first as Chief Financial Officer before going on to become CEO of Elior International. Throughout this time, he also held the position of Chief Strategy Officer for the Elior group. In 2007, Mr. Cojan was appointed as a member of Elior's Supervisory Board, sitting alongside Robert Zolade and representatives of Charterhouse, and has served on the Board of Directors since the Company was re-listed in June 2014. He is also a member of Elior Group's Audit Committee and the Strategy, Investments and CSR Committee and has been the Chairman of the Board of Directors since November 1, 2017. Acting alongside Elior's founders – Robert Zolade and Francis Markus – Mr. Cojan ensured the success of the Company's first MBO organized in 1992 and completed in 1996. Then, again with the founders, he organized two successive LBOs for the contract catering and concession catering businesses, which resulted in the creation of the Elior group in 1997. As from that date he directly led the Group's internationalization strategy, enabling it to successively enter the UK, Spanish and Italian markets. Gilles Cojan was the driving force behind a number of the major partnerships that stepped up the pace of the Group's growth, including the partnership set up in 2001 with the Spanish company Areas, which helped the Group strengthen its leadership position in concession catering, and subsequently the alliance forged in 2013 with the founder of THS, which underpinned Elior's rapid development strategy in the United States. In 2000, he oversaw Elior's IPO and then in 2006, with Robert Zolade, he organized the Company's voluntary stock market de-listing followed by a new LBO carried out with the aim of accelerating the Group's development. In 2010, he was behind the idea of creating a "services" business, which has now become an integral part of the Group. Since 2007, Mr. Cojan has also been the CEO of Sofibim – the parent company of BIM, which is Elior Group's main shareholder – where he implemented a diversification strategy that led to the creation of three major players in the outdoor hospitality, Parisian hotels and healthcare education sectors. Before joining Elior, in 1990 Mr. Cojan took on the position of head of the Financing and Treasury department at Valeo. Prior to that he worked at Banque Translatlantique where he was CEO of its subsidiary, GTI Finance, having previously served between 1978 and 1986 as Treasurer for the pharmaceutical group Servier. Gilles Cojan is currently Chairman of Elior Group's Board of Directors. He is also Chief Executive Officer of Sofibim and BIM.

Philippe Guillemot has been Elior Group's Chief Executive Officer since December 5, 2017. Between 2013 and 2016, Philippe Guillemot was Chief Operating Officer at Alcatel-Lucent, a global company with significant exposure to the US market and at the heart of the digital revolution. He was brought into the company to draw up a business recovery and transformation plan and subsequently oversaw Alcatel-Lucent's integration into Nokia. From 2010 through 2012, he was CEO and a Board member at Europcar, where he modernized the company's brand image and offerings to make them more appealing and more suited to customer expectations. During his time with Europcar he also launched a large-scale plan to improve operating efficiency in very challenging market conditions. From 2004 through 2010, Mr. Guillemot served as Chairman and CEO of Areva Transmission and Distribution (T&D), which subsequently became a division of Alstom, and was a member of Areva's Executive

Committee. In this role he successfully implemented two strategic plans to turn around the business and significantly boost its profitability. During the six years he was with Areva T&D, the entity extensively enlarged its international footprint, doubled its revenue and increased its value fourfold. Before joining Areva T&D, Mr. Guillemot was a member of the Executive Committees at the automotive suppliers Faurecia (2001-2003) and Valeo (1998-2000). At both of these companies he oversaw the global expansion of divisions with revenue of several billion euros. Prior to that he held executive posts at Michelin (1993-1998 and 1983-1989), where he was appointed to his first Executive Committee position at the age of thirty-six. Alongside Edouard Michelin he was the architect behind the product line-based organization structure that enabled Michelin to pursue a profitable growth trajectory. Philippe Guillemot holds an MBA from Harvard University and is a graduate of the French engineering school, École des Mines de Nancy. He is also a knight of the French National Order of Merit.

Robert Zolade is the Chairman and controlling shareholder of Sofibim, which in turn exercises exclusive control over BIM (Elior Group’s main shareholder). He is the co-founder of the Elior group and served as its Co-Chairman and then Chairman from its creation in 1991 until 2010. Prior to that, he held various senior management positions within the Accor group, including Chairman and Chief Executive Officer of Société Générale de Restauration in 1990, and Chief Executive Officer of Compagnie Internationale des Wagons-Lits et de Tourisme from 1990 to 1992. Robert Zolade is a graduate of Institut d'Etudes Politiques de Paris (IEP) and also holds a law degree and a post-graduate degree in economics.

Gilles Auffret is currently Chairman of the Board of Directors of Terreal and a member of the Supervisory Board of Seqens. Between 1999 and 2013, he held various executive positions within the Solvay Rhodia group, including Chief Operating Officer (2001-2012), Chief Executive Officer (2013) and member of the Rhodia Executive Committee (2013). From September 2011 to the end of 2013, he was also a member of the Solvay Executive Committee. Between 1982 and 1999, Mr. Auffret held various executive positions within the Pechiney group, including Vice President of the Aluminium Metal Division and Chief Executive Officer of Aluminium Pechiney from 1994 to 1999. Prior to that, he served as an auditor with the French national audit office (*Cour des Comptes*) from 1975 to 1978 and as a project manager in the French Industry Ministry between 1978 and 1982. Gilles Auffret is a graduate of Ecole Polytechnique, Institut d'Etudes Politiques de Paris, Ecole Nationale de la Statistique et de l'Administration Économique and École Nationale d'Administration

Anne Busquet has been principal at AMB Advisors LLC in New York since 2006. She began her career in 1973 at Hilton International before joining the American Express group in 1978, where she remained until 2001, occupying several executive posts. She then served as President of AMB Advisors LLC from 2001 to 2003, when she joined InterActiveCorp as President of Travel Services and was subsequently appointed CEO of Local and Media Services.

Vanessa Llopart is the permanent representation of Emesa Corporación Empresarial. She is a graduate of the ESADE business school. She began her career at Roland Berger where she spent six years, first as a strategy consultant and then a project manager. In 2003, she became a freelance strategy consultant, working on assignments in Barcelona and Madrid for companies including Europraxis and Kubiwireless. In 2008, she joined Llopart Euroconsejo where she developed M&A projects and managed various corporate client files. From 2009 until July 2019, she was a member of the Board of Directors of the Zeta group. Vanessa Llopart is currently a partner and member of the Board of Directors of Talenta Gestion, a financial services firm specialized in wealth planning and portfolio management that provides advice about corporate finance and M&As. She has also been CEO of Emesa Corporación Empresarial since 2018.

Virginie Duperat-Vergne is the representative of Fonds Stratégique de Participations. She is the Chief Financial Officer and a member of the Executive Board at the Arcadis group. From December 2017 through March 2019, she was Chief Financial Officer at the Gemalto group, prior to which she was Deputy Chief Financial Officer and a member of the Senior Leadership Team at TechnipFMC. During the seven years she spent with the TechnipFMC group, she held various leadership positions in the executive finance team. Virginie Duperat-Vergne began her career as an external auditor and spent more than ten years at Arthur Andersen, then Ernst & Young (now EY) before joining the Canal + Group as Compliance Officer for Accounting Standards. She holds a master's degree in management from Toulouse Business School.

Bernard Gault is an investment banker and investor and is the founding partner of the investment firm Barville & Co, formed in 2016. He is also a founding partner of Perella Weinberg Partners, a global financial services firm set up in 2006 offering financial advisory and asset management services. He began his career in 1982 at Compagnie Financière de Suez before joining Morgan Stanley in 1988 where he went on to serve as Managing Director until 2006. Bernard Gault holds degrees from Ecole Centrale Paris and Institut d'Etudes Politiques de Paris.

A graduate of HEC business school, **Sophie Javary** began her career in 1981 at the Bank of America in Paris before moving to Indosuez. In 1994 she joined Rothschild as head of ECM origination. Between 2000 and 2007, Ms. Javary headed up ABN-AMRO Rothschild in France on behalf of Rothschild. In January 2002 she was appointed Managing Partner at Rothschild, where she co-managed the financing and European restructuring business between 2008 and 2010. In February 2011, she joined BNP Paribas as Consultant Banker for a portfolio of key accounts for which she has managed their global relations with the bank ever since. Between January 2014 and October 2018, she headed up all of BNP Paribas' corporate finance activities (M&A and primary equity market advisory services) for the Europe, Middle East and Africa region (EMEA). Since October 2018, she has served as Vice-Chairman CIB EMEA at BNP Paribas, devoting all of her time to business development and strategy advisory services for major corporate and private equity clients. She is a member of BNP Paribas' G100 group of its top 100 executives. In 2013, Sophie Javary became a Knight of the French Legion of Honor.

Rosa Maria Alves is currently an Operations Director within the Elior group. She first joined Elior as a project manager in the Health & Welfare sector and subsequently became a team leader in that sector. She was appointed as an employee representative director on Elior Group's Board of Directors at the plenary meeting of the Group Works Council held on November 16, 2020.

Luc Lebaupin has been Head of Key External Relations Projects within the Elior group since 2019. He began his career at Sodexo, where he worked as a manager in the Education sector from 2005 through 2007. He joined the Elior group in 2009 as Key Account Development Manager for Elior Santé before serving in the same position for Elior Entreprises from 2014 to 2019. He was appointed as an employee representative director on Elior Group's Board of Directors at the plenary meeting of the Group Works Council held on November 16, 2020.

Chief Executive Officer

The Company's executive management is placed under the responsibility of Philippe Guillemot, who has been the Group's Chief Executive Officer since December 5, 2017. His term of office as Chief Executive Officer ends at the same time as his term of office as a director.

Philippe Guillemot has also been a director of the Company since March 9, 2018.

Powers of the Board of Directors

The Issuer is governed by a Board of Directors which determines the Issuer's business strategy and oversees its implementation, examines all issues that concern the efficient operation of the business and makes decisions on all matters concerning the Issuer.

The Board of Directors is, and will remain, a collegiate body that collectively represents all shareholders and acts at all times in the Issuer's best interests.

The Board of Directors examines all issues that fall within its scope of responsibility under the applicable laws and regulations. In particular it examines and approves all major decisions concerning the business, human resources, environmental, financial and technological strategies of the Issuer and the Group and oversees their implementation by management.

Board Committees

The Board of Directors' work and discussions in some areas are prepared by specialized committees made up of directors appointed by the Board for a period corresponding to their term as director.

The Board of Directors uses the work of four Board committees:

- the Audit Committee
- the Nominations Committee;
- the Compensation Committee; and
- the Strategy, Investments and CSR Committee.

Audit Committee – this committee currently has three members, including two independent directors. The Audit Committee assists the Board of Directors in its tasks of overseeing and verifying the preparation of the financial statements of the Company and the Group, and the information communicated to shareholders and the market. It pays particular attention to the relevance and quality of the Company's financial communications. It also obtains assurance concerning the effectiveness of the internal control and risk management systems and is responsible for overseeing issues relating to the preparation and verification of accounting, financial and non-financial information and the statutory audit of the accounts.

Nominations Committee – this committee currently comprises four members, three of whom are independent directors. The overall mission of the Nominations Committee is to assist the Board of Directors in its task of appointing the members of the administrative and management bodies of the Issuer and the Group.

Compensation Committee – this committee currently comprises four members, including three independent directors and one employee representative director. The overall mission of the Compensation Committee is to assist the Board of Directors in its task of regularly reviewing the compensation and benefits packages of the Issuer's officers and the Group's key executives, including all forms of deferred compensation plans and termination benefits.

Strategy, Investments and CSR Committee – this committee currently has four members, two of whom are independent directors. Its meetings are attended by the Group Chief Executive Officer, as well as by an employee representative director, in a non-voting capacity. With a view to creating a stronger, balanced governance structure, any directors who are not members of the Strategy, Investments and CSR Committee may attend meetings of the Committee in a non-voting capacity in order to help the Board with its information-exchange, decision-making and review processes. The Strategy, Investments and CSR Committee advises the Board of Directors on its decisions concerning the Group's strategy, investments and significant acquisition and divestment projects. It assesses the Issuer's values and undertakings in the field of sustainability and corporate social responsibility and helps to ensure that they are reflected in the Board's decisions.

Senior Management

The Group has put into a place an Executive Committee, which is chaired by Philippe Guillemot and comprises the Group's key executives. The Executive Committee has thirteen members as indicated below.

Name	Position
Rosario Ambrosino	Chief Executive Officer of Elior Italia
Bernard Duverneuil	Group Chief Information and Digital Officer
Jean-Yves Fontaine	Chief Executive Officer of Elior France
Esther Gaide	Group Chief Financial Officer
Philippe Guillemot	Group Chief Executive Officer
Ruxandra Ispas	Group Chief Procurement and Logistics Officer
Sanjay Kumar	Chief Executive Officer of Elior India
Antonio Llorens	Chief Executive Officer of Serunion
Ludovic Oster	Group Chief Human Resources Officer
Gilles Rafin	President of Elior Services
Damien Rebourg	Group Chief Communications Officer
Catherine Roe	Chief Executive Officer of Elior UK

Apart from Philippe Guillemot, none of the members of the Executive Committee are directors of the Issuer.

The Executive Committee reviews and authorizes significant projects concerning:

- Major operating contracts under negotiation in France and in international markets, and the related capital expenditure projects.

- Proposed acquisitions and divestments of assets and interests in companies, strategic partnerships and, more generally, any planned acquisitions of contract portfolios or businesses.

- The preparation, execution and follow-up of the execution of the "New Elior" strategic plan announced by the Chief Executive Officer in late June 2019.

The Executive Committee also examines the Group's operating and sales performance on a monthly basis and shares the information resulting from its division by division performance reviews. It initiates and oversees cross-functional programs involving the sales and marketing, human resources, financial and management control, compliance and purchasing functions, as well as programs to optimize productivity and the cost base.

The Executive Committee meets at monthly intervals or more frequently when required.

In accordance with Articles 1.7 and 7 of the AFEP-MEDEF Code, the Group places particular importance on ensuring that there is balanced representation of men and women on its governing bodies. As at the date of this Offering Memorandum, 23% of the Executive Committee's members are women. The Group intends to continue to implement measures to promote gender parity for top management posts.

The Group also has a Corporate Committee, which is chaired by Philippe Guillemot and comprises the heads of its principal corporate functions.

As at the date of this Offering Memorandum, the Corporate Committee has the following eight members, two of whom are women.

Name	**Position**
Jean-Pascal Dragon	Head of Group Strategic Planning and Business Development
Bernard Duverneuil	Group Chief Information and Digital Officer
Esther Gaide	Group Chief Financial Officer
Philippe Guillemot	Group Chief Executive Officer
Ruxandra Ispas	Group Chief Procurement and Logistics Officer
Ludovic Oster	Group Chief Human Resources Officer
Damien Rebourg	Group Chief Communications Officer
Thierry Thonnier	Group Chief Legal and Compliance Officer

Apart from Philippe Guillemot, none of the members of the Corporate Committee are directors of the Issuer.

The roles and responsibilities of the Corporate Committee notably include:

- Overseeing the Group's action plans regarding corporate and cross-business matters.
- Reviewing the main initiatives launched by the Group's corporate functions.
- Sharing feedback from front-line teams.

PRINCIPAL SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

Principal Shareholders

As of March 31, 2021, the share capital of the Issuer (which has been paid up in full) amounted to €1,741,478 divided into 174,147,823 shares, all of the same class. All shares have a par value of €0.01. Our shares are currently listed for trading on Euronext Paris Compartment A under ticker symbol "EPA:ELIOR." The table below sets forth the beneficial ownership of the Issuer according to the most recent information available to the Issuer (excluding certain treasury shares held by the Issuer).

Name of beneficial owner	%
BIM (Robert Zolade)	19.63%
Emesa	5.36%
Fonds Stratégique de Participations	5.20%
Free float on Euronext Paris	69.81%
Total	**100.00%**

Related Party Transactions

Other than as disclosed in our Consolidated Financial Statements related to executive compensation and transactions with associates and equity-accounted investees, we have limited transactions with related parties.

DESCRIPTION OF CERTAIN FINANCING ARRANGEMENTS

The following summary of certain provisions of the documents listed below governing certain of our indebtedness does not purport to be complete and is subject to, and qualified in its entirety by reference to, the underlying documents.

New Term Loan and Revolving Credit Facility

Overview

On or about the Issue Date, the Issuer and Elior Participations intend to enter into a senior facilities agreement which will provide for the New Term Loan and the Revolving Credit Facility (the "**Senior Facilities Agreement**") with a syndicate of banks, including BNP Paribas, COÖPERATIEVE RABOBANK U.A. trading as RABOBANK LONDON and Crédit Agricole Corporate and Investment Bank as mandated lead arrangers and bookrunners and Crédit Agricole Corporate and Investment Bank as agent (the "**Agent**").

The Senior Facility Agreement will provide for the New Term Loan and the Revolving Credit Facility (collectively, the "**Facilities**") as described below.

Facility	**Borrower**	**Principal amount (in € millions)**	**Maturity**
New Term Loan	Elior	100.0	4+1 years from the Issue Date
Revolving Credit Facility	Elior and/or Elior Participations	350.0	4+1 years from the Issue Date
	Total	**450.0**	

New Term Loan

The Issuer intends to incur the New Term Loan in a single utilization in euro on or about the Issue Date.

Purpose

Partial refinancing of the indebtedness of the Issuer and certain indebtedness of its direct and/or indirect subsidiaries.

Repayment

In full in one installment on the final maturity date.

Interest Period

Three or six months or any other period agreed between Elior and the Agent (acting on the instructions of the majority lenders (⅔ majority)).

Interest and Margin

EURIBOR plus a certain margin, starting at 2.60% per annum on the New Term Loan which will be adjusted based on a certain leverage ratio and rating of Elior.

Revolving Credit Facility

The Revolving Credit Facility will provide for up to €350.0 million which may be used by way of cash advances, to be drawn down in either euro or dollars.

Purpose

General corporate and working capital purposes of the Group, including for the purpose of financing or refinancing any Permitted Acquisition (as defined in the Senior Facilities Agreement) and any capital expenditure.

Repayment

Each revolving advance shall be repaid on the last day of the relevant interest period and subject to rollover provided no acceleration of the Facilities has occurred.

Interest Period

One, three or six months or any other period agreed between Elior and the Agent (acting on the instructions of the majority lenders).

Interest and Margin

EURIBOR plus a certain margin, starting at 2.20% per annum on the Revolving Credit Facility which will be adjusted based on a certain leverage ratio and rating of Elior.

Common Terms of the Senior Facilities Agreement

Security and Guarantees

The Facilities will be guaranteed by the Guarantors (initially by Elior Participations and then no later than October 30, 2021, by the Post Issue Date Guarantors).

Undertakings and Covenants

The Senior Facilities Agreement contains customary negative covenants with respect to the Group's entities (adapted in certain cases to reflect the Group's specific situation), including, but not limited to, restrictions on:

- consummating certain acquisitions and establishing certain joint ventures;
- disposing of assets; and
- granting loans or other credit facilities;
- incurring additional debt, issuing guarantees of third-party debt, or giving pledges on behalf of third parties (negative pledge clause);
- making a substantial change to the general nature of the business.

The Senior Facilities Agreement contains certain reporting requirements, and particularly an obligation to provide audited annual consolidated financial statements and semi-annual interim condensed consolidated financial statements.

The Senior Facilities Agreement also requires compliance with certain leverage ratio, which changes over time. The following table displays the leverage ratio to be complied with under the Senior Facilities Agreement.

Relevant Testing Date	Leverage ratio
September 30, 2022	7.5:1
March 31, 2023	6.0:1
From September 30, 2023 onwards	4.5:1

Mandatory Prepayment and Cancellation

Exclusively upon the request of the majority lenders, the Senior Facilities may be cancelled, and all obligations under the Senior Facilities may be due and payable in full, if, among other events, there is a "change of control" or a sale of all or substantially all of the Group's assets.

Events of Default

The Senior Facilities Agreement provides for certain events of default (subject to materiality, cure periods and other exceptions where appropriate) which can trigger acceleration. These events of default notably include:

- the non-payment of amounts due under the Senior Facilities Agreement on the due dates;
- the breach of certain financial covenants and other obligations;
- inaccuracy of a representation or statement when made or deemed to be made;
- cross-defaults with respect to other financing or financial commitments in excess of a certain minimum amount;
- insolvency or insolvency proceedings concerning any significant Group company (as defined in the Senior Facilities Agreement);
- the termination of operations of any significant Group company;
- material audit qualification in relation to the Company's consolidated financial statements; and
- the occurrence of a material adverse effect that could substantially impact the financial capacity of any borrower under the Facilities.

If an event of default occurs and persists, the Senior Facilities Agreement provides that the Agent may and will, if so instructed by the majority lenders, either (i) block any additional utilizations, or (ii) declare that all or part of any amount outstanding under such Facilities is immediately due and payable.

Governing Law

The Senior Facilities Agreement will be governed by French law.

Proceeds Loans

On or about the Issue Date, the Issuer will make proceeds loans available to certain of the Guarantors, in each case using a portion of the net proceeds from the Offering (collectively, the "**Proceeds Loans**").

Interest on the Proceeds Loans will accrue at a rate that we anticipate will not be lower than the rate applicable to the Notes. The maturity date of each of the Proceeds Loans will be on or after the maturity date of the Notes and may be prepaid by the relevant borrower in cases in which the Notes become due and payable, are repurchased, redeemed or otherwise prepaid or repaid in full or in part prior to their final maturity date or in connection with a substantially concurrent payment of interest or Additional Amounts to be made by Elior.

The Proceeds Loans will be governed by French law.

PGE

On March 22, 2021, Elior Group received a €225 million government-backed loan ("**PGE**"), repayable at maturity on March 22, 2022, with an option for Elior to extend to the maturity to March 22, 2027. The extension option is exercisable at the earliest four months before – and at the latest one month before – March 22, 2022. The loan is repayable in six-monthly installments of 10% as from October 1, 2022.

The loan is subject to a graduated interest rate based on EURIBOR and the costs of the government guarantee determined based on the standard costs applicable to French government-backed loans.

As of March 31, 2021, €225 million was outstanding under the PGE.

Receivables securitization programs

Certain French entities of the Group were beneficiaries under a €200 million receivables securitization program, which was entered into in November 2006 and amended several times after that date (the "**2006 Securitization Program**"). The 2006 Securitization Program was refinanced in May 2013 (the "**2013 Securitization Program**") and its maximum amount was increased to €300 million. In addition, the 2013 Securitization Program was extended to include certain Spanish and Italian entities of the Group. The 2013 Securitization Program was refinanced in July 2017 (the "**2017 Securitization Program**") and its maximum amount was increased to €322 million. The Group's Italian entities no longer form part of this program. In March 2019, the maximum amount of the program was raised to €360 million. On October 13, 2020, the €360 million 2017 Securitization Program, which was originally scheduled to expire in July 2021, was amended in order to extend its maturity until October 2024 and to ensure compliance with the criteria provided for in Regulation (EU) 2017/2402 of the European Parliament and the Council of December 12, 2017 laying down a general framework for securitization and creating a specific framework for simple, transparent and standardized securitization. The amendments concerned do not affect the accounting treatment applied to the 2017 Securitization Program.

Under the 2017 Securitization Program (representing a maximum of €360 million), trade receivables arising from sales carried out or services rendered in France and Spain in relation to commercial contracts (subject to certain eligibility criteria) denominated in euros and originated by any Elior Group Receivables Seller are sold to Ester Finance Titrisation, (the "**Purchaser**"), a French subsidiary of Crédit Agricole CIB. The sales are carried out monthly, based on receivables arising in the previous month, and receivables are fully financed without a guarantee deposit.

The 2017 Securitization Program comprises two compartments: An "ON compartment" whereby receivables are sold with recourse and an "OFF compartment" whereby receivables are sold without recourse.

For the ON compartment, as the Group continues to bear a significant portion of late payment and credit risks, the sold receivables do not meet the conditions required under IFRS 9 for off balance-sheet accounting. Consequently, the financing received is accounted for as debt. Sales to the Purchaser are made at the face value of the receivables, less a discount to reflect the financing costs until settlement. As of September 30, 2020, outstanding securitized receivables relating to the ON compartment, net of the related €26 million overcollateralization reserve, stood at €50 million.

For the OFF compartment, credit risks, interest rate risks and late payment risks are transferred to the Purchaser through the discount applied on the receivables, which corresponds to remuneration for the credit risk and the financing cost. Dilution risk, assessed as part of the overall risks and benefits analysis, is not deemed to be a risk associated with the receivables. Under the terms of the OFF compartment:

(a) The receivables transfers are valid and binding on third parties (other than the debtors if no notification is given).

(b) The Elior Group receivables sellers consisting of certain subsidiaries in France and Spain (the "**Elior Group Receivables Sellers**") may only repurchase their sold receivables in specific circumstances (e.g. Disputed Receivables, Defaulted Receivables).

(c) The Purchaser may only have recourse against the Elior Group Receivables Sellers with respect to matters for which the Sellers are responsible, such as in the case of Dilution (excluding any guarantees for the payment of invoices).

(d) The Program provides a precise definition of Dilutions in order to avoid any return of risks to the Elior Group Receivables Sellers for reasons related to the debtor (e.g. deliberate payment delaying tactics or falsely disputing amounts due, with a clear definition of disputes, and offsetting only possible in valid circumstances).

(e) If a default event occurs, this event terminates the program from thereon but does not affect any receivables sales that have already been carried out.

(f) The applicable financial terms and conditions of the sales are set at the sale dates and no amendments with retroactive effect may be made to such financial terms and conditions.

(g) The eligibility criteria applicable to the receivables are objective.

(h) The sold receivables must not involve any performance risk (i.e. the receivables are due under contracts for which the services have already been rendered).

(i) As of September 30, 2020, the amount of derecognized receivables totaled €206 million, compared with €217 million as of September 31, 2019.

The Purchaser settles its receivables purchases from the Elior Group Receivables Sellers on a monthly basis. Between settlement dates, the Elior Group Receivables Sellers may use cash received from clients, which is paid into segregated bank accounts dedicated to the transaction and swept monthly to the Purchaser's bank account (subject to netting against the purchase price owed for newly originated receivables, unless a default event has occurred). Responsibility for administering receivables, including adherence to established credit and collection policies, remains with the Elior Group Receivables Sellers, with Elior Participations S.C.A. acting as the centralizing entity for such administration.

Certain specified events would terminate the Securitization Program. These include (without limitation) events relating to the performance of the receivables, payment default exceeding

€40 million on any debt contracted by the Elior Group Receivables Sellers or under certain other indebtedness of the Group, and accelerated repayment exceeding €40 million in relation to any debt contracted by the Elior Group Receivables Sellers or under certain other indebtedness of the Group.

Direct recourse to the Elior Group Receivables Sellers is limited (i) for the ON compartment, to the amount of the overcollateralization reserve of the receivables, and (ii) for the OFF compartment, to the amount of the dilution reserve.

In addition, the Purchaser has been granted a guarantee by Elior Participations S.C.A. for amounts due to the Purchaser by the Elior Group Receivables Sellers up to a maximum principal amount of €367 million.

The Purchaser's commitment to finance the purchase of receivables originally ended in July 2021 but the contract was renewed on October 13, 2020 for a further four years.

On July 29, 2016, an on-balance sheet receivables securitization agreement with a three-year term was put in place for a number of the Group's UK subsidiaries, representing a maximum amount of GBP 30 million. This agreement was terminated on August 22, 2019 when all of the sold receivables were repurchased by their sellers.

As of March 31, 2021, outstanding securitized receivables under this program – net of the related €34.5 million overcollateralization reserve – was €45.1 million.

DESCRIPTION OF THE NOTES

In this “*Description of the Notes*,” the term “**Issuer**” refers only to Elior Group S.A., a *société anonyme* (limited liability corporation) organized under the laws of France, and not to any of its Subsidiaries (as defined hereafter). The term “**Notes**,” unless the context requires otherwise, also refers to “**Book-Entry Interests**” in the Notes, as defined herein. The definitions of certain other terms used in this description are set forth throughout the text or under “*—Certain Definitions*.”

The Issuer will issue 3.750% Senior Notes due 2026 (the “**Notes**”) under an indenture dated on or about July 8, 2021 (the “**Indenture**”) among, *inter alios*, the Issuer, U.S. Bank Trustees Limited as trustee (the “**Trustee**”) and Elavon Financial Services DAC as paying agent, transfer agent and registrar, in private transactions that are not subject to the registration requirements of the U.S. Securities Act of 1933, as amended (the “**Securities Act**”). The terms of the Notes include those set forth in the Indenture.

The Indenture is unlimited in aggregate principal amount, of which €550,000,000 aggregate principal amount of Notes will be issued in this Offering (the “**Initial Notes**”). We may in the future, subject to applicable law, issue an unlimited principal amount of Additional Notes (as defined below). We will only be permitted to issue Additional Notes in compliance with the covenants contained in the Indenture. The Notes and any Additional Notes will be treated as a single class for all purposes under the Indenture, including, without limitation, with respect to waivers, amendments, redemptions and offers to purchase, except as otherwise provided for in the Indenture.

The following description is a summary of the material terms of the Notes, the Guarantees and the Indenture. It does not, however, restate the Notes, the Guarantees and the Indenture in their entirety and where reference is made to a particular provision of the Notes, the Guarantees or the Indenture, such reference, including the definitions of certain terms, is qualified in its entirety by reference to all of the provisions of the Notes, the Guarantees and the Indenture. You should read the Notes and the Indenture (including the Guarantees) because they contain additional information and because they and not this description define your rights as a Holder of the Notes. Copies of the Indenture may be obtained from the Issuer at the address indicated under “*Listing and General Information*.” The Indenture is not qualified under, does not incorporate provisions by reference to, and is not otherwise subject to, the U. S. Trust Indenture Act of 1939, as amended, including Section 316(b) thereof.

Application will be made to list the Notes on the Official List of the Exchange and to admit the Notes to trading on the Euro MTF market thereof. The Issuer can provide no assurance that this application will be accepted. See “*—Payments on the Notes; Paying Agent, Transfer Agent and Registrar*.”

The registered Holder of a Note will be treated as the owner of it for all purposes. Only registered Holders will have rights under the Indenture.

Each reference to a legal entity herein shall be deemed to include such entity’s successor in interest, unless the context requires otherwise.

Brief Description of the Structure and Ranking of the Notes and the Guarantees

The Notes

The Notes:

(a) will be the Issuer’s general senior and unsecured obligations;

(b) will mature on July 15, 2026;

(c) will rank *pari passu* in right of payment with all of the Issuer's existing and future unsecured obligations that are not expressly contractually subordinated in right of payment to the Notes (including the Issuer's obligations in respect of the Revolving Credit Facility and New Term Loan and any future indebtedness permitted to be Incurred under the Indenture);

(d) will rank senior in right of payment to any existing and future obligations of the Issuer that are expressly subordinated in right of payment to the Notes;

(e) will be effectively subordinated to any existing and future secured obligations of the Issuer, to the extent of the value of the property and assets securing such obligations, unless such property or assets also secure the Notes on an equal and ratable or senior basis;

(f) will be structurally subordinated to all existing and future obligations of Subsidiaries of the Issuer that do not provide Guarantees; and

(g) will be guaranteed on the Issue Date by Elior Participations S.C.A. (the "**Issue Date Guarantor**") and, no later than October 31, 2021, by certain French, Italian, Spanish and English subsidiaries of the Issuer (the "**Post Issue Date Guarantors**").

The Guarantees

The Guarantee of each Guarantor, at the time the relevant Guarantor grants such Guarantee:

(a) will be such Guarantor's general senior and unsecured obligations;

(b) will be, subject to the Agreed Guarantee Principles, guaranteed on a joint and several basis, full and unconditional (subject to the limitations on such guarantee as described under "*Risk Factors—Risks Related to the Notes and the Guarantees—The Guarantees may be limited by applicable laws or subject to certain limitations or defenses that may adversely affect their validity and enforceability*" and "*Limitations on Validity and Enforceability of the Guarantees and Certain Insolvency Law Considerations*."

(c) will rank *pari passu* in right of payment with all of such Guarantor's existing and future unsecured obligations that are not expressly contractually subordinated in right of payment to the Notes (including such Guarantor's obligations in respect of the Revolving Credit Facility and New Term Loan and any future indebtedness permitted to be Incurred under the Indenture);

(d) will rank senior in right of payment to any existing and future obligations of such Guarantor that are expressly subordinated in right of payment to such Guarantor's Guarantee;

(e) will be effectively subordinated to any existing and future secured obligations of such Guarantor, to the extent of the value of the property and assets securing such obligations, unless such property or assets also secure the Indenture on an equal and ratable or senior basis; and

(f) will be structurally subordinated to all existing and future obligations of Subsidiaries of such Guarantor that do not provide Guarantees.

General

The Issuer is a holding company and is accordingly dependent on cash flows from its Subsidiaries to meet its obligations under the Notes. See "*Risk Factors—Risks Related to the Notes and the Guarantees—The Issuer and the Issue Date Guarantor are holding companies dependent upon cash flows from the operating companies of our Group to meet our obligations on the Notes or the relevant Guarantee.*"

For the year ended September 30, 2019 (the last full-year period which was not adversely impacted by COVID-19), the Issuer and the Guarantors generated 66% of the Group's revenue and 80% of the Group's Adjusted EBITDA. As of March 31, 2021, the Issuer and the Guarantors held 77% of the Group's total assets. As of March 31, 2021, on a *pro forma* basis giving effect to the Transactions, the Issuer's non-Guarantor subsidiaries would not have had any outstanding indebtedness other than finance leases.

The Notes are effectively subordinated in right of payment to all Debt and other liabilities and commitments (including trade payables and lease obligations) of the Issuer's Subsidiaries that are not Guarantors. Any right of the Issuer to receive assets of any of its Subsidiaries upon the Subsidiary's liquidation or reorganization (and the consequent right of the Holders to participate in those assets) will be effectively subordinated to the claims of that Subsidiary's creditors, except to the extent that the Issuer is itself recognized as a creditor of the Subsidiary subject to any mandatory legal subordination, in which case the claims of the Issuer would still be subordinated in right of payment to any security over the assets of the Subsidiary and any Debt of the Subsidiary senior to that held by the Issuer.

As at the Issue Date, all of the Issuer's Subsidiaries will be "Restricted Subsidiaries." Under the circumstances described below under "*—Certain Covenants—Designation of Unrestricted and Restricted Subsidiaries*," the Issuer will be permitted to designate certain of its Subsidiaries as "Unrestricted Subsidiaries." Unrestricted Subsidiaries of the Issuer will not be subject to the restrictive covenants in the Indenture.

Although the Indenture contains limitations on the amount of additional Debt that the Issuer and its Restricted Subsidiaries may incur, the amount of such additional Debt could be substantial. The Indenture will permit additional Debt to be secured.

Principal, Maturity and Interest

The Notes will mature on July 15, 2026 unless redeemed prior thereto as described herein. The redemption price at maturity will be 100.0% of the principal amount.

The Issuer will issue the Initial Notes in the aggregate principal amount of €550,000,000.

Each Note will bear interest at a rate per annum of 3.750% and interest will be payable semi-annually in arrear on January 15 and July 15 of each year, commencing on January 15, 2022.

Interest will be payable to Holders of record on each Note in respect of the principal amount thereof outstanding as at the Clearing System Business Day immediately preceding the payment date, as the case may be; however, owners of beneficial interests in the Notes must rely on the procedures of Euroclear or Clearstream, as applicable. See "*Risk Factors—Risks Related to the Notes and the Guarantees—Your rights as a noteholder will be limited so long as ownership in the Notes is evidenced by book-entry interests*." If the due date for any payment in respect of the Notes is not a Business Day at the place where such payment is due to be paid, the Holder thereof will not be entitled to payment of the amount until the next succeeding Business Day at such place, and will not be entitled to any further interest or other payment as a result of such delay. The rights of Holders in beneficial interest of the Notes to receive the payments on such Notes are subject to applicable procedures of Euroclear and/or Clearstream.

Interest on the Notes will accrue from, and including, the original issuance date or, if interest has already been paid, from the date it was most recently paid. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months on the aggregate principal amount outstanding.

From time to time, subject to the Issuer's compliance with the covenants contained in the Indenture, including the covenants restricting the incurrence of Debt (as described below under "*—Certain Covenants—Limitation on Debt*"), the Issuer is permitted to issue one or more series of additional Notes, which shall have terms substantially identical to the Notes except in respect of any of the following terms which shall be set forth in an Officer's Certificate supplied to the Trustee (the "**Additional Notes**"):

(a) the title of such Additional Notes;

(b) the aggregate principal amount of such Additional Notes;

(c) the date or dates on which such Additional Notes will be issued;

(d) the rate or rates (which may be fixed or floating) at which such Additional Notes shall bear interest and, if applicable, the interest rate basis, formula or other method of determining such interest rate or rates, the date or dates from which such interest shall accrue, the interest payment dates on which such interest shall be payable or the method by which such dates will be determined, the record dates for the determination of Holders thereof to whom such interest is payable and the basis upon which such interest will be calculated;

(e) the maturity date or dates of such Additional Notes;

(f) the currency or currencies in which such Additional Notes shall be denominated and the currency in which cash or government obligations in connection with such series of Additional Notes may be payable;

(g) the date or dates and price or prices at which, the period or periods within which, and the terms and conditions upon which, such Additional Notes may be redeemed, in whole or in part, including, but not limited to, any special mandatory redemption in the event (e.g. an acquisition, Investment or refinancing) that the release from any escrow into which proceeds of the issuance of such Additional Notes are deposited is conditioned upon the consummation of any acquisition, Investment, refinancing or other transaction (such redemption, a "**Special Mandatory Redemption**");

(h) the escrow of all or a portion of the proceeds of such Additional Notes and the granting of Liens described in clause (ee) of the definition of "Permitted Liens" in favor of the Trustee or a security agent solely for the benefit of the holders of such Additional Notes (and not, for the avoidance of doubt, for the benefit of the holders of any other Notes, including Notes of the same series as such Additional Notes);

(i) if other than denominations of €100,000 and in integral multiples of €1,000 in excess thereof, the denominations in which such Additional Notes shall be issued and redeemed; and

(j) the ISIN, Common Code or other securities identification numbers with respect to such Additional Notes.

At the Issuer's election, Additional Notes may be established in one or more supplemental indentures to the Indenture in lieu of an Officer's Certificate under this provision. Such Additional Notes will be treated, along with all other series of Notes, as a single class for the purposes of the Indenture with respect to waivers, amendments and all other matters which are not specifically distinguished for such series, except as otherwise provided for in the Indenture. Unless the context otherwise requires, for all purposes of the Indenture and this "*Description of the Notes*," references to "**Notes**" shall be deemed to include references to the Initial Notes as well as any Additional Notes. Additional Notes may also be designated to be of the same series as the Initial Notes, and references to the "**Notes**" shall be deemed to refer to the Initial Notes as well as any Additional Notes.

Transfer and Exchange

The Notes will be sold outside the United States pursuant to Regulation S under the Securities Act and will be issued in the form of one or more registered notes in global form without interest coupons attached (the "**Global Notes**")

The Global Notes will, on the Issue Date, be deposited with and registered in the name of the nominee of the common depositary for the accounts of Euroclear and Clearstream.

Ownership of interests in the Global Notes ("**Book-Entry Interests**") will be limited to Persons that have accounts with Euroclear or Clearstream or Persons that may hold interests through such participants. Ownership of interests in the Book-Entry Interests and transfers thereof will be subject to the restrictions on transfer and certification requirements summarized below and described more fully under "*Transfer Restrictions*." In addition, transfers of Book-Entry Interests between participants in Euroclear or participants in Clearstream will be effected by Euroclear or Clearstream, as applicable, pursuant to customary procedures and subject to the applicable rules and procedures established by Euroclear or Clearstream, as applicable, and their respective participants.

The Trustee shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under the Indenture or under applicable law with respect to any transfer of any interest in any note other than to require delivery of such certificates and other documentation or evidence as are expressly required by, and to do so if and when expressly required by the terms of, the Indenture, and to examine the same to determine substantial compliance as to form with the express requirements hereof.

Book-Entry Interests may be transferred in accordance with the transfer restrictions described under "*Transfer Restrictions*" and in accordance with any applicable securities law of any other jurisdiction.

Any Book-Entry Interest that is transferred as described in the immediately preceding paragraphs will, upon transfer, cease to be a Book-Entry Interest in the Global Note from which it was transferred and will become a Book-Entry Interest in the Global Note to which it was transferred. Accordingly, from and after such transfer, it will become subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in the Global Note to which it was transferred.

If Definitive Registered Notes are issued, they will be issued only in minimum denominations of €100,000 principal amount and integral multiples of €1,000 in excess thereof upon receipt by the Registrar of instructions relating thereto and any certificates, opinions and other documentation required by the Indenture. It is expected that such instructions will be based upon directions received by Euroclear or Clearstream, as applicable, from the participant that owns the relevant Book-Entry Interests. Definitive Registered Notes issued in exchange for a Book-Entry Interest will, except as set forth in the Indenture or as otherwise determined by the Board of Directors or an Officer of the Issuer to be in compliance with applicable law, be subject to, and will have a legend with respect to, the restrictions on transfer summarized below and described more fully under "*Transfer Restrictions*."

Subject to the restrictions on transfer referred to above, Notes issued as Definitive Registered Notes may be transferred or exchanged in whole or in part, in minimum denominations of €100,000 in principal amount and integral multiples of €1,000 in excess thereof. In connection with any such transfer or exchange, the Indenture will require the transferring or exchanging Holder to, among other things, furnish appropriate endorsements and transfer documents, to furnish information regarding the account of the transferee at Euroclear or Clearstream, as applicable, to furnish certain certificates and opinions, and to pay any taxes in connection with such transfer or exchange. Any such transfer or exchange will be made without charge to the Holder, other than any taxes payable in connection with such transfer.

Notwithstanding the foregoing, the Issuer is not required to register the transfer or exchange of any Notes:

(1) for a period of 15 days prior to any date fixed for the redemption of such Notes;

(2) for a period of 15 days immediately prior to the date fixed for selection of such Notes to be redeemed in part;

(3) for a period of 15 days prior to the record date with respect to any interest payment date applicable to such Notes; or

(4) which the Holder has tendered (and not withdrawn) for repurchase in connection with a Change of Control Offer (as defined under "—*Certain Covenants —Change of Control*") or an Asset Sale (as defined under "—*Certain Covenants—Limitation on Asset Sales*").

The Issuer, the Trustee, any Paying Agent, the Registrar and the Transfer Agent will be entitled to treat the Holder as the owner of it for all purposes.

Guarantees

On the Issue Date, the Notes will be guaranteed, subject to the Agreed Guarantee Principles, by the Issue Date Guarantor. No later than October 31, 2021, the Notes will be initially guaranteed by the Post Issue Date Guarantors (collectively, the "**Initial Guarantors**") as set out below.

Name	Jurisdiction of Organization	Registered Office	Registration number
On or about the Issue Date:			
Elior Participations S.C.A.	France	9-11 allée de l'Arche, 92032 Paris La Défense, France	380 543 678 R.C.S. Nanterre
No later than October 31, 2021:			
Elior Entreprises	France	9-11 allée de l'Arche, 92032 Paris La Défense, France	413 901 760 R.C.S. Nanterre
Resapro	France	9-11 allée de l'Arche, 92032 Paris	384 545 828 R.C.S. Nanterre

		La Défense, France	
Elior Services Propreté et Santé	France	9-11 allée de l'Arche, 92032 Paris La Défense, France	303 409 593 R.C.S. Nanterre
Centre d'expertises Elior RC France	France	9-11 allée de l'Arche, 92032 Paris La Défense, France	830 735 056 R.C.S. Nanterre
Arpege	France	9-11 allée de l'Arche, 92032 Paris La Défense, France	312 147 770 R.C.S. Nanterre
Ansamble	France	Allée Gabriel Lippmann Pibs, 56000 Vannes, France	334 159 472 R.C.S. Vannes
Elres	France	9-11 allée de l'Arche, 92032 Paris La Défense, France	662 025 196 R.C.S. Nanterre
Elior Data RC France	France	9-11 allée de l'Arche, 92032 Paris La Défense, France	820 174 068 R.C.S. Nanterre
Services et Santé	France	9-11 allée de l'Arche, 92032 Paris La Défense, France	348 415 506 R.C.S. Nanterre
Alsacienne de restauration SAS	France	ZI des Grandes BP 89, 74150 Rumilly	312 479 266 R.C.S. Annecy
Elior Services FM	France	1, boulevard du Général Delambre, 95870 Bezons	391 322 831 R.C.S. Pontoise
Elior F.A.3.C.	France	9-11 allée de l'Arche, 92032 Paris La Défense, France	413 913 799 R.C.S.
Bercy Services I – BSI	France	9-11 allée de l'Arche, 92032 Paris La Défense, France	413 900 648 R.C.S. Nanterre
Elior Gestion	France	9-11 allée de l'Arche, 92032 Paris La Défense, France	384 548 525 R.C.S. Nanterre
Elior Restauration Approvisionnements	France	9-11 allée de l'Arche, 92032 Paris La Défense, France	524 959 426 R.C.S. Nanterre

Société Européenne de Bars Restaurants - Eurobar	France	9-11 allée de l'Arche, 92032 Paris La Défense, France	712 023 209 R.C.S. Nanterre
Elior Restauration et Services	France	9-11 allée de l'Arche, 92032 Paris La Défense, France	380 543 819 R.C.S. Nanterre
Elior Data	France	9-11 allée de l'Arche, 92032 Paris La Défense, France	398 601 948 R.C.S. Nanterre
Elior RC France	France	9-11 allée de l'Arche, 92032 Paris La Défense, France	750 433 930 R.C.S. Nanterre
Serunion S.A.U.	Spain	Calle Esteban Terradas, 8, 28914 Leganés Madrid, Spain	A59376574
Excellent Market S.L.U.	Spain	Carretera de Esplugues, 225, 08940 Cornellá de Llobregat, Barcelona	B17067620
Serunion Vending S.A.U.	Spain	Carretera de Esplugues, 225, 08940 Cornellá de Llobregat, Barcelona	A60602349
Elior Ristorazione	Italy	Via Privata Venezia Giulia, 5/A 20157 Milan Italy	08746440018 Milan
Lexington Catering Limited	England	The Courtyard, Catherine Street, Macclesfield, Cheshire, SK11 6ET	UK Companies House No. 03428444
Taylor Shaw Limited	England	The Courtyard, Catherine Street, Macclesfield, Cheshire, SK11 6ET	UK Companies House No. 06576188
Elior UK PLC	England	The Courtyard, Catherine Street, Macclesfield, Cheshire, SK11 6ET	UK Companies House No. 01106729
Edwards and Blake Limited	England	The Courtyard,	UK Companies

Catherine Street, Macclesfield, Cheshire, SK11 6ET	House No. 03461947

As described below under "*—Certain Covenants—Additional Guarantees*" and the Agreed Guarantee Principles, each Restricted Subsidiary that guarantees the Senior Facilities Agreement, Public Debt or certain other Debt, in each case of the Issuer or a Guarantor, shall also enter into a supplemental indenture as an additional Guarantor of the Notes.

For the purposes of this "*Description of Notes*," a "**Guarantor**" means the Initial Guarantors and any Restricted Subsidiary of the Issuer that may guarantee the Notes from time to time pursuant to the Indenture (in each case, together with any and all successors thereto).

The obligations of a Guarantor under its Guarantee will be limited as necessary to prevent the relevant Guarantee from constituting a fraudulent conveyance, preference, transfer at under value or unlawful financial assistance under applicable law, or otherwise to reflect corporate benefit rules, thin capitalization rules, retention of title claims, laws on the preservation of share capital, limitations of corporate law, regulations or defenses affecting the rights of creditors generally or other limitations under applicable law which, among other things, might limit the amount that can be guaranteed by each relevant Guarantor. Additionally, the Guarantees will be subject to certain corporate law procedures being complied with. See "*Limitations on the Validity and Enforceability of the Guarantees and Certain Insolvency Law Considerations*" and "*Risk Factors—Risks Related to the Notes and the Guarantees—The Guarantees may be limited by applicable laws or subject to certain limitations or defenses that may adversely affect their validity and enforceability*." The Guarantees will be further limited as required under the Agreed Guarantee Principles that will apply to, and restrict the granting of guarantees in favor of obligations under the Notes.

Agreed Guarantee Principles

The Agreed Guarantee Principles apply to the granting of guarantees in favor of obligations under the Notes. The guarantees to be provided under the Indenture will be given in accordance with the principles set out in the Agreed Guarantee Principles. The Agreed Guarantee Principles address the manner in which the Agreed Guarantee Principles will impact on the guarantees proposed to be taken in relation to the Indenture.

These Agreed Guarantee Principles embody recognition by all parties that there may be certain legal and practical difficulties in obtaining guarantees from the Issuer and each of its Restricted Subsidiaries, from time to time (the "**Group**") in each jurisdiction in which such members of the Group are incorporated. In particular:

- general legal and statutory limitations, regulatory requirements or restrictions, tax restrictions, financial assistance, corporate benefit, fraudulent preference, "thin capitalization" rules, "earnings stripping", "controlled foreign corporation" and "capital maintenance" rules, retention of title claims, employee consultation or approval requirements and similar principles may limit the ability of the Issuer and any Restricted Subsidiary from providing a guarantee or may require that the guarantee be limited to a specific amount or otherwise (the "**Mandatory Rules**"). If any such limit applies, the affected guarantee shall be limited to the maximum amount which the relevant grantor may provide;

- the agreement that Restricted Subsidiaries will not be required to give guarantees if they are not wholly owned (directly or indirectly) by the Issuer or if it is not within the legal capacity of the relevant Restricted Subsidiary or if it would conflict with the fiduciary or statutory duties of such Restricted Subsidiary's directors or contravene any applicable legal, regulatory or contractual prohibition or restriction or have the potential to result in a material risk of personal or criminal liability for any director or officer of or for any member of the Group, and the guaranteed obligations will be limited to avoid any risk to officers of the relevant member of the Group of contravention of their fiduciary duties and/or criminal or personal liability, *provided* that the relevant member of the Group shall use commercially reasonable endeavors (but without incurring material cost and without adverse impact on relationships with third parties) to overcome any such obstacle or otherwise such guarantee shall be subject to such limit;

- the agreement in certain jurisdictions it may be either impossible or impractical to grant guarantees, in which case such guarantees shall not be granted;
- the agreement that no guarantees will be required from any joint venture or similar arrangement, any minority interest or any member of the Group that is not wholly owned by another member of the Group;
- the agreement that the giving of a guarantee, will not be required if and to the extent it would have a material adverse effect on the ability of the Group to conduct its operations and business in the ordinary course as otherwise permitted by the Indenture; and
- the maximum guaranteed amount may be limited to minimize stamp duty, notarization, registration or other applicable fees, taxes and duties where the benefits of increasing the guaranteed amount is disproportionate to the level of such fee, taxes and duties.

Payments on the Notes; Paying Agent, Transfer Agent and Registrar

The Issuer will make all payments, including principal of, premium, if any, and interest on the Notes, at its office or through its agent in a city in the European Economic Area or the United Kingdom that it will maintain for these purposes. Initially, that agent will be Elavon Financial Services DAC (the "**Paying Agent**"). The Issuer may change the Paying Agent without prior notice to the Holders. The Issuer will make all payments in same-day funds.

The Issuer will also maintain a registrar (the "**Registrar**") and a transfer agent (the "**Transfer Agent**"). The initial Registrar and Transfer Agent will be Elavon Financial Services DAC. The Registrar will maintain a register reflecting ownership of the Notes outstanding from time to time, if any, and together with the Transfer Agent, will facilitate transfers of the Notes on behalf of the Issuer. A register of the Notes shall be left at the registered office of the Issuer. In case of inconsistency between the register of Notes kept by the Registrar and the one kept by the Issuer at its registered office, the register kept by the Registrar shall prevail.

Upon prior written notice to the Trustee, the Issuer may change any Paying Agent, Registrar or Transfer Agent for the Notes without prior notice to the Holders of such Notes. However, for so long as they are admitted to trading on the Euro MTF market of the Exchange and the rules and regulations thereof so require, the Issuer will publish a notice of any change of Paying Agent, Registrar or Transfer Agent to the extent and in the manner permitted by such rules and regulations. In addition, for so long as any Notes are represented by Global Notes, such notices to Holders of the Notes may be delivered by or on behalf of the Issuer to Euroclear and Clearstream.

Holders will not be responsible for any service charge for any registration of transfer, exchange or redemption of the Notes, but the Issuer may require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection with any such registration of transfer or exchange.

Additional Amounts

All payments made under or with respect to the Notes or a Guarantee will be made free and clear of and without withholding or deduction for or on account of any present or future taxes, duties, levies, imposts, assessments or similar governmental charges of whatever nature, including penalties, interest and other liabilities thereto (collectively, "**Taxes**") imposed or levied by or on behalf of France or any jurisdiction in which the Issuer or a Guarantor is organized, engaged in business for tax purposes or resident for tax purposes, or from or through which payment by or on behalf of the Issuer or any Guarantor on the Notes or any Guarantee is made, or any political subdivision or authority thereof or therein, having the power to tax (each, a "**Relevant Taxing Jurisdiction**"), unless the withholding or deduction of such Taxes is required by law. In the event that the Issuer or a Guarantor is required to so withhold or deduct any amount for or on account of any such Taxes imposed or levied by or on behalf of a Relevant Taxing Jurisdiction from any payment made under or with respect to the Notes or a Guarantee, the Issuer or a Guarantor, as the case may be, will pay such additional amounts ("**Additional Amounts**") as may be necessary so that the net amount received in respect of such payments by each Holder after such withholding or deduction (including any such withholding or deduction from such Additional Amounts) will be not less than the amount that would have been received in respect of such payments if such Taxes had not been required to be withheld or deducted.

Notwithstanding the foregoing, neither the Issuer nor any Guarantor will pay Additional Amounts to a Holder of any Note in respect or on account of:

(a) any Taxes that are imposed or levied by a Relevant Taxing Jurisdiction by reason of a present or former connection of the Holder or beneficial owner (in the case of a Note held in global form, only if such beneficial owner is reasonably identifiable) with such Relevant Taxing Jurisdiction (including, but not limited to, citizenship, nationality, residence, domicile, or existence of a business, a permanent establishment, a place of business or a place of management present or deemed present within the Relevant Taxing Jurisdiction) other than the mere receipt or holding of any Note or by reason of the receipt of payments thereunder or the exercise or enforcement of rights under such Note, any Guarantee or the Indenture;

(b) any Taxes that are imposed or withheld by reason of the failure of the Holder or beneficial owner (in the case of a Note held in global form, only if such beneficial owner is reasonably identifiable) of any Note, to comply with the Issuer's written request addressed to the Holder, providing at least 30 calendar days' notice before any such withholding or deduction would be payable, to satisfy any certification, identification, information or other reporting requirements concerning nationality, residence, identity or connection with the Relevant Taxing Jurisdiction which the Holder or such beneficial owner is legally required to satisfy, whether imposed by statute, treaty, regulation or administrative practice, in each such case by the Relevant Taxing Jurisdiction, as a precondition to exemption from, or reduction in the rate of deduction or withholding of, Taxes imposed by the Relevant Taxing Jurisdiction (including, without limitation, a certification that the Holder or beneficial owner is not resident in the Relevant Taxing Jurisdiction), provided that the relevant Holder or beneficial owner is legally entitled to satisfy such requirements;

(c) any estate, inheritance, gift, sales, personal property, transfer or similar Taxes;

(d) any Tax that is payable other than by deduction or withholding from payments made under or with respect to any Note or Guarantee;

(e) any Tax which would not have been so imposed but for the presentation (where presentation is required in order to receive payment) by the Holder for payment on a date more than 30 days after the date on which such payment becomes due and payable or the date on which payment thereof is duly provided for, whichever occurs later, except to the extent that the Holder would have been entitled to such Additional Amounts on presenting the same for payment on any day (including the last day) within such 30-day period;

(f) any withholding or deduction required to be made from a payment pursuant to Sections 1471–1474 of the U. S. Internal Revenue Code of 1986, as amended (the "**Code**"), any current or future regulations or official interpretations thereof, any similar law or regulation adopted pursuant to an intergovernmental agreement between a non-U. S. jurisdiction and the United States with respect to the foregoing or any agreements entered into pursuant to Section 1471(b)(1) of the Code; or

(g) any Tax imposed on or with respect to any payment by the Issuer or the relevant Guarantor to the Holder or beneficial owner (in the case of a Note held in global form, only if such beneficial owner is reasonably identifiable) if such Holder or beneficial owner is a fiduciary or partnership or person other than the sole beneficial owner of such payment to the extent that Taxes would have been excluded had the relevant beneficial owner been the Holder of the Note.

In addition, Additional Amounts will not be payable with respect to any Taxes that are imposed in respect of any combination of the above items.

The Issuer or any Guarantor will also make or cause to be made such withholding or deduction of Taxes and remit the full amount of Taxes so deducted or withheld to the relevant taxing authority in accordance with all applicable laws. The Issuer or the relevant Guarantor will, upon request, make available to the Holders, as soon as reasonably practicable, certified copies of tax receipts evidencing such payment by the Issuer or such Guarantor, as the case may be, or if, notwithstanding the Issuer's or the Guarantor's reasonable efforts to obtain such receipts, the same are not obtainable, other evidence reasonably satisfactory to the Trustee of such payment by the Issuer or the Guarantor.

At least 30 calendar days prior to each date on which any payment under or with respect to the Notes is due and payable, if the Issuer or a Guarantor will be obliged to pay Additional Amounts with respect to such payment (unless such obligation to pay Additional Amounts arises after the 45th day prior to the date on which payment under or with respect to the Notes is due and payable, in which case it will be promptly thereafter), the Issuer or a Guarantor will deliver to the Trustee and the Paying Agent an Officer's Certificate stating that such Additional Amounts will be payable and the amounts so payable and setting forth such other information as is necessary to enable the Trustee or Paying Agent to pay such Additional Amounts to the Holders on the payment date. The Trustee and the Paying Agent shall be entitled to rely solely on such Officer's Certificate as conclusive proof that such payments are necessary.

In addition, the Issuer or any Guarantor will pay (i) any present or future stamp, issue, registration, transfer, documentation, court, excise or other similar taxes, charges and duties, including interest or penalties with respect thereto imposed or levied by any Relevant Taxing Jurisdiction, in respect of the execution, issue, delivery or registration of, or receipt of payments with respect to the Notes, the Indenture or a Guarantee, or any other document or instrument referred to thereunder (other than transfers of the Notes following the initial resale of the Notes by the Initial Purchasers) (limited, solely in the case of taxes attributable to the receipt of any payments with respect to the Notes, the Indenture or a Guarantee, to any such Taxes imposed in a Relevant Taxing Jurisdiction that are not excluded under clauses (a) through (c) and (e) through (g)); and (ii) any such taxes, charges or duties imposed by any jurisdiction as a result of, or in connection with, the enforcement of the Notes, any Guarantee or the Indenture or any other such document or instrument following the occurrence of any Event of Default with respect to the Notes.

The foregoing provisions will survive any termination, defeasance or discharge of the Indenture, any transfer by a Holder or beneficial owner of its Notes, and will apply *mutatis mutandis* to any jurisdiction in which any Surviving Entity (as defined below) or successor person to the Issuer or a Guarantor is organized, engaged in business or resident for tax purposes, or any jurisdiction from or through which such Person makes any payment on the Notes or any Guarantee, or any political subdivision or authority thereof or therein, having the power to tax.

Whenever in the Indenture or this "*Description of the Notes*" there is mentioned, in any context, the payment of principal (and premiums, if any), redemption price, interest or any other amount payable under or with respect to any Note (including payments made pursuant to any Guarantee), such mention will be deemed to include mention of the payment of Additional Amounts thereon.

Optional Redemption

General

Any redemption and notice of redemption may, at the Issuer's discretion, be subject to the satisfaction of one or more conditions precedent (including, without limitation, in the case of a redemption related to an Equity Offering, the consummation of such Equity Offering and, in the case of a redemption of the Notes, the incurrence of indebtedness the proceeds of which will be used to redeem the Notes). In addition, if such redemption or notice is subject to satisfaction of one or more conditions precedent, such notice shall state that, in the Issuer's discretion, the redemption date may be delayed until such time as any or all such conditions shall be satisfied *provided, however*, that, in any case such redemption date shall not be more than 60 days from the date on which such notice to holders of the Notes is first given, or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied by the redemption date, or by the redemption date so delayed.

We understand that, under existing practices of Euroclear and Clearstream, if fewer than all of the Notes are to be redeemed at any time, Euroclear and Clearstream will credit their respective participants' accounts on a proportionate basis by way of pool factor, in accordance with the rules and procedure of Euroclear and Clearstream (as applicable) or on such other basis as they deem fair and appropriate, *provided, however*, that no ownership of interests in the Global Note of less than €100,000 principal amount at maturity, or less, may be redeemed in part. None of the Trustee, the Paying Agent or the Registrar shall be liable for any selection made under this paragraph. If any Definitive Registered Note is to be redeemed in part only, the notice of redemption relating to that Definitive Registered Note will state the portion of the principal amount thereof to be redeemed. A new Definitive Registered Note in principal amount equal to the unredeemed portion thereof will be issued and delivered in the name of the Holder thereof upon cancellation of the original Definitive Registered Note.

Unless the Issuer defaults in the payment of the redemption price, interest will cease to accrue on the Notes or portion thereof called for redemption on the applicable redemption date. Any such redemption or notice may, at the Issuer's discretion, be subject to one or more conditions precedent.

If the optional redemption date is on or after an interest payment record date and on or before the related interest payment date, the accrued and unpaid interest will be paid to the Person in whose name the Note is registered at the close of business on such record date, and no additional interest will be payable to Holders whose Notes will be subject to redemption by the Issuer.

If a redemption date is not a Business Day, payment may be made on the next succeeding day that is a Business Day, and no interest shall accrue on any amount that would have been otherwise payable on such redemption date if it were a Business Day for the intervening period.

The Issuer may provide in any notice of redemption that payment of the redemption price and performance of the Issuer's obligations with respect to such redemption may be performed by another Person.

Notwithstanding the foregoing, in connection with any tender offer for the Notes, including a Change of Control Offer or Excess Proceeds Offer, if Holders of Notes of not less than 90% in aggregate principal amount of the applicable outstanding Notes validly tender and do not withdraw such Notes in such tender offer and the Issuer, or any third party making such a tender offer in lieu of the Issuer, purchases, all of the Notes validly tendered and not withdrawn by such Holders, all of the Holders of Notes will be deemed to have consented to such tender offer, and accordingly the Issuer or such third party will have the right upon not less than 10 nor more than 60 days' prior notice to Holders of the Notes, given not more than 30 days following such tender offer expiration date, to redeem the Notes that remain outstanding in whole, but not in part, following such tender offer at a price equal to the price offered to each other Holder of Notes (excluding any early tender or incentive fee) in such tender offer, plus, to the extent not included in the tender offer payment, accrued and unpaid interest and Additional Amounts, if any, thereon, to, but excluding, such redemption date.

Optional Redemption upon an Equity Offering

At any time prior to July 15, 2023, upon not less than 10 nor more than 60 days' notice to holders of the Notes, the Issuer may on any one or more occasions redeem up to 40% of the aggregate principal amount of Notes that were initially issued under the Indenture (calculated after giving effect to the issuance of any Additional Notes) at a redemption price of 103.7500% of their principal amount, plus accrued and unpaid interest and Additional Amounts, if any, to, but excluding, the redemption date, with the net proceeds from one or more Equity Offerings. The Issuer may only do this, however, if:

(a) at least 60% of the aggregate principal amount of Notes that were initially issued (calculated after giving effect to the issuance of any Additional Notes) would remain outstanding immediately after the proposed redemption; and

(b) the redemption occurs within 180 days after the closing of such Equity Offering.

Make-whole Redemption

At any time prior to July 15, 2023 upon not less than 10 nor more than 60 days' notice to holders of the Notes, the Issuer may also redeem all or part of the Notes at a redemption price equal to 100% of the principal amount thereof plus the Applicable Redemption Premium and accrued and unpaid interest and Additional Amounts, if any, to the redemption date.

Optional Redemption on or after July 15, 2023

At any time on or after July 15, 2023 and prior to maturity, upon not less than 10 nor more than 60 days' notice to holders of the Notes, the Issuer may redeem all or part of the Notes. These redemptions will be in amounts of €100,000 or integral multiples of €1,000 in excess thereof at the following redemption prices (expressed as percentages of their principal amount at maturity), plus accrued and unpaid interest and Additional Amounts, if any, to, but excluding, the redemption date, if redeemed during the 12-month period beginning July 15 in each of the years set forth below:

Year	**Redemption Price**
2023	101.8750%
2024	100.9375%

2025 and thereafter	100.0000%

Redemption Upon Changes in Withholding Taxes

The Issuer may, at its option, redeem the Notes, in whole but not in part, at any time upon giving not less than 10 nor more than 60 days' notice to the Holders, at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest thereon, if any, to, but excluding, the redemption date and all Additional Amounts, if any, then due and which will become due on the date of redemption as a result of the redemption or otherwise (subject to the right of Holders on the relevant record date to receive interest due on an interest payment date that is prior to the redemption date and Additional Amounts, if any, in respect thereof), if the Issuer determines in good faith that the Issuer or a Guarantor is or, on the next date on which any amount would be payable in respect of the Notes, would be obliged to pay Additional Amounts (as defined above under "—*Additional Amounts*") in respect of the Notes or any Guarantee pursuant to the terms and conditions thereof, which the Issuer or any Guarantor cannot avoid by the use of reasonable measures available to it (including making payment through a paying agent located in another jurisdiction and, in the case of a Guarantor, making the payment giving rise to such requirement by the Issuer or another Guarantor who would not be obligated to pay Additional Amounts if payments through the Issuer or another Guarantor would be reasonable), as a result of:

(a) any change in, or amendment to, the laws or treaties (or any regulations or rulings promulgated thereunder) of any Relevant Taxing Jurisdiction (as defined above under "—*Additional Amounts*") affecting taxation which has not been publicly announced before and which is enacted or issued and becomes effective on or after the date of the Indenture or, if the Relevant Taxing Jurisdiction has changed since the date of the Indenture, on or after the date on which the then current Relevant Taxing Jurisdiction became the Relevant Taxing Jurisdiction under the Indenture; or

(b) any change in the official application, administration, or interpretation of the laws, treaties, regulations or rulings of any Relevant Taxing Jurisdiction (including a holding, judgment or order by a court of competent jurisdiction), which change has not been publicly announced before and which becomes effective on or after the date of the Indenture or, if the Relevant Taxing Jurisdiction has changed since the date of the Indenture, on or after the date on which the then current Relevant Taxing Jurisdiction became the Relevant Taxing Jurisdiction under the Indenture (each of the foregoing clauses (a) and (b), a "**Change in Tax Law**").

Notwithstanding the foregoing, no such notice of redemption will be given (a) earlier than 60 days prior to the earliest date on which the Issuer or a Guarantor would be obliged to make such payment of Additional Amounts or withholding if a payment in respect of the Notes were then due and (b) unless at the time such notice is given, the obligation to pay Additional Amounts remains in effect.

Prior to the publication or, where relevant, mailing of any notice of redemption pursuant to the foregoing, the Issuer will deliver to the Trustee:

(a) an Officer's Certificate stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer to so redeem have occurred (including that such obligation to pay such Additional Amounts cannot be avoided by the Issuer or Guarantor taking reasonable measures available to it); and

(b) an opinion of independent tax counsel of recognized standing, qualified under the laws of the Relevant Taxing Jurisdiction and reasonably satisfactory to the Trustee to the effect that the Issuer or a Guarantor, as the case may be, is or would be obliged to pay such Additional Amounts as a result of a Change in Tax Law.

The Trustee will accept, and is entitled to rely on, such Officer's Certificate and opinion as sufficient evidence, without further enquiry, of the satisfaction of the conditions precedent as described above, in which event it will be conclusive and binding on the Holders.

The foregoing provisions will apply *mutatis mutandis* to any successor person, after such successor person becomes a party to the Indenture, with respect to a Change in Tax Law occurring after the time such successor person becomes a party to the Indenture.

Post Tender Redemption

In connection with any tender offer for, or other offer to purchase, any series of Notes at a price no less than the open market trading price of the applicable series of Notes on the date such tender offer commences (as determined in good faith by the Board of Directors or an Officer), plus accrued and unpaid interest thereon to, but excluding, the applicable tender settlement date, if Holders of not less than 90% in aggregate principal amount of the applicable series of Notes validly tender and do not validly withdraw such series of Notes in such tender offer and the Issuer, or any third party making such a tender offer in lieu of the Issuer, purchases all of the applicable series of Notes validly tendered and not validly withdrawn by such Holders, all of the Holders of the applicable series of Notes will be deemed to have consented to such tender or other offer and, accordingly, the Issuer or such third party will have the right upon not less than 10 nor more than 60 days' prior notice to redeem the applicable series of Notes that remain outstanding in whole, but not in part, following such purchase, at a price equal to the price offered to each other holder of the applicable series of Notes in such tender offer (provided that such price shall not be less than 100% of the principal amount), plus, to the extent not included in the tender offer payment, accrued and unpaid interest, if any, thereon, to, but excluding, such redemption date.

Notice of Optional Redemption

If the Issuer effects an optional redemption of the Notes, it will, for so long as the Notes are admitted to trading on the Euro MTF market of the Exchange and the rules thereof so require, inform the Exchange of such optional redemption and confirm the aggregate principal amount of the Notes that will remain outstanding immediately after such redemption. For Notes which are represented by Global Notes, notices may be given by delivery of the relevant notices to Euroclear and Clearstream for communication to entitled account Holders in substitution for the aforesaid mailing. The Notes will be selected in accordance with the methods described under "*—Optional Redemption—General*."

Mandatory Redemption; Offers to Purchase; Open Market Purchases

The Issuer will not be required to make any mandatory redemption or sinking fund payments with respect to the Notes. However, under certain circumstances, the Issuer may be required to offer to purchase the Notes as described under the captions "*—Certain Covenants—Change of Control*" and "*—Certain Covenants—Limitation on Asset Sales*." The Issuer and its Restricted Subsidiaries may at any time and from time to time purchase Notes in the open market or otherwise, at such price and on such terms as it sees fit.

Certain Covenants

The Indenture will contain, among others, the following covenants.

Limitation on Debt

(1) The Issuer will not, and will not permit any Restricted Subsidiary to, create, issue, incur, assume, guarantee or in any manner become directly or indirectly liable with respect to or otherwise become responsible for, contingently or otherwise, the payment of (individually and collectively, to "**Incur**" or, as appropriate, an "**Incurrence**"), any Debt (including any Acquired Debt); *provided*, that the Issuer and any of its Restricted Subsidiaries will be permitted to Incur Debt (including Acquired Debt) if on the date on

which such additional Debt is Incurred the Fixed Charge Coverage Ratio for the Issuer's two most recent consecutive fiscal semi-annual periods for which internal consolidated financial statements are available prior to the date of determination, and after giving effect to the Incurrence of such Debt and the application of the proceeds thereof, on a *pro forma* basis, would have been at least 2.0 to 1.0.

(2) This "*Limitation on Debt*" covenant will not, however, prohibit the Incurrence by the Issuer and its Restricted Subsidiaries of the following (collectively, "**Permitted Debt**"):

(a) the Incurrence of Debt under Credit Facilities in an aggregate principal amount at any one time outstanding not to exceed an amount equal to the sum of (A) €100.0 million and (B)(i) the greater of €350.0 million and 117.0% of Consolidated EBITDA, in each case Incurred by the Issuer and any of its Restricted Subsidiaries, plus (ii) in the case of any refinancing of any Debt permitted under this clause, the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses Incurred in connection with such refinancing;

(b) (i) the Incurrence by the Issuer of Debt represented by the Notes (other than any Additional Notes) and (ii) the Incurrence of Debt by a Guarantor pursuant to its Guarantee (other than a Guarantee of any Additional Notes);

(c) any Debt outstanding or committed on the Issue Date, in each case after giving effect to Transactions (other than Debt described in clauses (a), (b) or (z) of this paragraph (2));

(d) the Incurrence by the Issuer or any Restricted Subsidiary of intercompany Debt between the Issuer and any Restricted Subsidiary or between or among Restricted Subsidiaries; *provided* that:

(i) if the Issuer or a Guarantor is the obligor on any such Debt and the lender of such Debt is not the Issuer or a Guarantor, and such intercompany Debt exceeds €10.0 million in aggregate principal amount outstanding, it is unsecured and expressly subordinated in right of payment to the prior payment in full in cash (whether upon Stated Maturity, acceleration or otherwise) and the performance in full of its obligations under the Notes or the Guarantee, as the case may be; and

(ii) (x) any disposition, pledge or transfer of any such Debt to any Person (other than a disposition, pledge or transfer to the Issuer or a Restricted Subsidiary) and (y) any transaction pursuant to which any Restricted Subsidiary that has Debt owing from the Issuer or another Restricted Subsidiary ceases to be a Restricted Subsidiary, will, in each case, be deemed to be an Incurrence of such Debt not permitted by this clause (d);

(e) (i) guarantees by the Issuer or any Restricted Subsidiary of Debt of the Issuer or any Restricted Subsidiary, in each case so long as the Incurrence of such Debt is permitted or not otherwise prohibited under the terms of the Indenture; *provided* that such guarantee is Incurred in accordance with the covenant described under "*—Limitations on Guarantees of Debt*"; or

(ii) without limiting the covenant described under "*—Limitation on Liens*," Debt arising by reason of any Lien granted by or applicable to such Person securing Debt of the Issuer or any Restricted Subsidiary so long as the Incurrence of such Debt is permitted or not otherwise prohibited under the terms of the Indenture;

(f) the Incurrence by the Issuer or any Restricted Subsidiary of Debt represented by Capitalized Lease Obligations, mortgage financings, purchase money obligations or other Debt Incurred or assumed in connection with the acquisition, lease, rental or development and improvement of real or personal, movable or immovable, property or assets, in each case, Incurred for the purpose of financing or refinancing all or any part of the purchase price, lease expense or cost of design, construction, installation or improvement of property, plant, equipment or other assets used or useful in the Issuer's or any Restricted Subsidiary's business (each, a "**Productive Asset Financing**") (including any reasonable related fees or expenses Incurred in connection with such acquisition, lease, rental or development); *provided* that the principal amount of such Debt so Incurred when aggregated with such other Debt previously Incurred in reliance on this clause (f) and still outstanding shall not in the aggregate exceed the greater of €100.0 million and 2.8% of Total Assets;

(g) the Incurrence by the Issuer or any Restricted Subsidiary of Debt arising from agreements providing for guarantees, indemnities or obligations in respect of earnouts or other purchase price adjustments or similar obligations in connection with the acquisition or disposition of assets, including, without limitation, shares of Capital Stock, other than guarantees or similar credit support given by the Issuer or any Restricted Subsidiary of Debt Incurred by any Person acquiring all or any portion of such assets for the purpose of financing such acquisition; *provided* that the maximum aggregate liability in respect of all such Debt permitted pursuant to this clause (g) will at no time exceed the gross proceeds, including non-cash proceeds (the Fair Market Value of such non-cash proceeds being measured at the time received and without giving effect to any subsequent changes in value), actually received from the sale of such assets;

(h) the Incurrence by the Issuer or any Restricted Subsidiary of Debt under Hedging Agreements entered into in the ordinary course of business and not for speculative purposes;

(i) the Incurrence by the Issuer or any Restricted Subsidiary of Debt in respect of (a) workers' compensation and claims arising under similar legislation, unemployment insurance (including premiums related thereto), other types of social security, pension obligations, vacation pay, health, disability or other employee benefits or other guarantees or other similar bonds, instruments or obligations and completion guarantees and warranties provided by the Issuer or a Restricted Subsidiary or relating to liabilities, obligations or guarantees Incurred in the ordinary course of business or consistent with past practice or in respect of any governmental requirement;

(j) Debt owed on a short-term basis of no longer than 30 days to banks and other financial institutions Incurred in the ordinary course of business of the Issuer and its Restricted Subsidiaries with such banks or financial institutions that arises in connection with ordinary banking arrangements to manage cash balances of the Issuer and its Restricted Subsidiaries;

(k) the Incurrence of Debt by the Issuer or any Restricted Subsidiary arising from (i) the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently drawn against insufficient funds in the ordinary course of business; *provided* that such Debt is extinguished within 30 business days of Incurrence, (ii) bankers' acceptances, performance bonds, bid bonds, surety bonds, rental bonds, judgment, appeal, indemnity, advance payment, customs, VAT or other tax or other guarantees or other similar bonds, instruments or obligations and (iii) completion, advance payment or customs guarantees provided or letters of credit or similar instruments obtained by the Issuer or any Restricted Subsidiary in the ordinary course of business;

(l) the Incurrence by the Issuer or any Restricted Subsidiary of Permitted Refinancing Debt in exchange for, or the net proceeds of which are used to, refund, replace, refinance, defease or discharge Debt Incurred by it pursuant to, or described in, paragraphs (1), (2)(b), (2)(c), (2)(l) and (2)(t) of this "*Limitation on Debt*" covenant, as the case may be;

(m) (i) customer deposits and advance payments received in the ordinary course of business from customers for goods or services purchased in the ordinary course of business and (ii) Debt consisting of obligations owing under any customer or supplier incentive, supply, license or similar agreements entered into for good faith commercial reasons;

(n) Debt representing (i) deferred compensation to current or former directors, officers, employees, members of management, managers and consultants of the Issuer or any of its Subsidiaries in the ordinary course of business or consistent with past practice and (ii) Management Advances;

(o) any Bank Products or netting or setting off arrangements in the ordinary course of business or consistent with past practice;

(p) without limiting the covenant described under "—*Limitation on Guarantees of Debt*," the guarantee by the Issuer or any Restricted Subsidiary of Debt that was permitted to be Incurred by another provision of this "*Limitation on Debt*" covenant; *provided* that if the Debt being guaranteed is subordinated to the Notes or is unsecured, then the guarantee shall be subordinated or unsecured to the same extent as the Debt guaranteed;

(q) without limiting the covenant described under "—*Limitation on Liens*," Debt arising by reason of any Lien granted by or applicable to such Person securing Debt of the Issuer or any Restricted Subsidiary so long as the Incurrence of such Debt is not prohibited under the terms of the Indenture;

(r) Debt consisting of (i) the financing of insurance premiums, (ii) take or pay obligations or customary deferred payment arrangements contained in supply agreements or (iii) rental guarantees, in each case, in the ordinary course of business;

(s) [*Reserved*];

(t) (A) the Incurrence of Debt of the Issuer or any Restricted Subsidiary to finance an acquisition or any merger or consolidation of any Person with or into the Issuer or any Restricted Subsidiary, or (B) Acquired Debt; *provided* that, in each case, on the date of such acquisition, merger or consolidation, after giving effect thereto, either (i) the Issuer would have been able to Incur at least €1.00 of additional Debt pursuant to paragraph (1) of this "*Limitation on Debt*" covenant or (ii) the Fixed Charge Coverage Ratio would not be lower than it was immediately prior to giving effect thereto;

(u) Debt of the Issuer or any Restricted Subsidiary relating to any VAT liabilities or deferral taxes or other similar liabilities, taxes or obligations of the Issuer or any Restricted Subsidiary in other jurisdictions;

(v) any Contribution Debt Incurred by the Issuer or a Guarantor; and

(w) the Incurrence of Debt by the Issuer or any Restricted Subsidiary (other than and in addition to Debt permitted under clauses (a) through (v), (x) and (y) of this paragraph (2)) in an aggregate principal amount, when taken together with the refinancing of any Debt originally Incurred under this clause (w), at any one time outstanding not to exceed the greater of €300 million and 9.0% of Total Assets; *provided that* on the Issue Date the PGE outstanding in the aggregate amount of €225 million is deemed to have been Incurred pursuant to this clause (w) and may not be reclassified;

(x) the Incurrence of Debt by the Issuer or a Restricted Subsidiary in respect of any Permitted Recourse Receivables Financing not to exceed €100.0 million; and

(y) Debt (including any lease, concession, license or conveyance of property (or Guarantee thereof) of the Issuer or any Restricted Subsidiary consisting of leases (including Capitalized Lease Obligations) or other obligations existing on the Issue Date or Incurred thereafter that would have been treated as operating leases under IAS 17 (Leases), as in effect on September 30, 2019, before the implementation of IFRS 16 (Leases).

(3) Notwithstanding the foregoing, the aggregate principal amount of outstanding Debt (excluding any interest paid in kind) Incurred by Restricted Subsidiaries that are not Guarantors pursuant to the paragraph (1) of this covenant and clauses (t)(A) and (w) of paragraph (2) of this covenant and, without double counting, all Permitted Refinancing Debt in respect thereof Incurred by Restricted Subsidiaries that are not Guarantors shall not exceed an amount equal to €50 million at the time of the Incurrence of any such Debt; *provided* that Permitted Refinancing Debt Incurred in respect of such Debt originally permitted by this paragraph shall always be permitted hereunder.

(4) For purposes of determining compliance with this "*Limitation on Debt*" covenant, in the event that an item of Debt meets the criteria of more than one of the categories of Permitted Debt described in clauses (a) through (y) of paragraph (2) above, or is entitled to be Incurred pursuant to paragraph (1) of this "*Limitation on Debt*" covenant, the Issuer will be permitted to classify such item of Debt on the date of its Incurrence in any manner that complies with this "*Limitation on Debt*" covenant. In addition, from time to time any item of Debt initially classified as Incurred pursuant to one of the categories of Permitted Debt described in clauses (a) through (y) of paragraph (2) above, or entitled to be Incurred pursuant to paragraph (1) of this "*Limitation on Debt*" covenant, may later be reclassified by the Issuer such that it will be deemed as having been Incurred pursuant to such new clause of paragraph (2) or paragraph (1) of this "*Limitation on Debt*" covenant to the extent that such reclassified Debt could be Incurred pursuant to such new clause of paragraph (2) or paragraph (1) of this "*Limitation on Debt*" covenant at the time of such reclassification. Notwithstanding the foregoing, Debt Incurred and outstanding on the Issue Date under the New Term Loan and the Revolving Credit Facility will be deemed to have been Incurred on such date in reliance on the exception provided by clause (a)(i) of paragraph (2) above and may not be reclassified. Debt permitted by this covenant need not be permitted solely by reference to one provision permitting such Debt but may be permitted in part by one such provision and in part by one or more other provisions of this covenant permitting such Debt.

(5) For purposes of determining compliance with any restriction on the Incurrence of Debt in euro where Debt is denominated in a different currency, the amount of such Debt will be the Euro Equivalent determined on the date of such determination; *provided* that if any such Debt denominated in a different currency is subject to a Currency Agreement (with respect to euro) covering principal amounts payable on such Debt, the amount of such Debt expressed in euro will be adjusted to take into account the effect of such agreement. The principal amount of any Permitted Refinancing Debt Incurred in the same currency as the Debt being refinanced will be the Euro Equivalent, or the relevant amount in any such currency, of the Debt being refinanced determined on the date such Debt being refinanced was initially Incurred. Notwithstanding any other provision of this "*Limitation on Debt*" covenant, for purposes of determining compliance with this "*Limitation on Debt*" covenant, increases in Debt solely due to fluctuations in the exchange rates of currencies will not be deemed to exceed the maximum amount that the Issuer or a Restricted Subsidiary may Incur under this "*Limitation on Debt*" covenant.

(6) For purposes of determining any particular amount of Debt under this "*Limitation on Debt*" covenant:

(a) obligations in the form of letters of credit, guarantees, Liens, bankers' acceptance or other similar instrument or obligation, in each case supporting Debt otherwise included in the determination of such particular amount will not be included;

(b) any Liens granted pursuant to the equal and ratable provisions referred to in the "*Limitation on Liens*" covenant will not be treated as Debt;

(c) accrual of interest, accrual of dividends, the accretion or amortization of original issue discount or of accreted value, the obligation to pay commitment fees and the payment of interest or dividends in the form of additional Debt, will not, in any case, be treated as Debt; and

(d) notwithstanding anything in this covenant to the contrary, in the case of any Debt Incurred to refinance Debt initially Incurred in reliance on a clause of the second paragraph of this covenant measured by reference to a percentage of Total Assets or Consolidated EBITDA (as applicable) at the time of Incurrence, if such refinancing would cause the percentage of Total Assets or Consolidated EBITDA (as applicable) restriction to be exceeded if calculated based on the percentage of Total Assets or Consolidated EBITDA (as applicable) on the date of such refinancing, such percentage of Total Assets or Consolidated EBITDA (as applicable) restriction shall not be deemed to be exceeded so long as the principal amount of such refinancing Debt does not exceed the principal amount of such Debt being refinanced, plus premiums (including tender premiums), defeasance, costs and fees in connection with such refinancing.

Limitation on Restricted Payments

(1) The Issuer will not, and will not permit any Restricted Subsidiary to, directly or indirectly, take any of the following actions (each of which is a "**Restricted Payment**" and which are collectively referred to as "**Restricted Payments**"):

(a) declare or pay any dividend on or make any distribution (whether made in cash, securities or other property) with respect to any of the Issuer's or any Restricted Subsidiary's Capital Stock (including, without limitation, any payment in connection with any merger, consolidation, amalgamation or other combination involving the Issuer or any Restricted Subsidiary) (other than to the Issuer or any Restricted Subsidiary) except for dividends or distributions payable solely in shares of the Issuer's Qualified Capital Stock or in options, warrants or other rights to acquire such shares of Qualified Capital Stock or in Subordinated Shareholder Debt;

(b) purchase, redeem or otherwise acquire or retire for value (including, without limitation, in connection with any merger, consolidation, amalgamation or other combination), directly or indirectly, any shares of the Issuer's Capital Stock or any Capital Stock of a Holding Company of the Issuer held by persons other than the Issuer or a Restricted Subsidiary or any options, warrants or other rights to acquire such shares of Capital Stock;

(c) make any principal payment on, or repurchase, redeem, defease or otherwise acquire or retire for value, prior to any scheduled principal payment, sinking fund payment or Stated Maturity, any Subordinated Debt (other than (i) any such payment, purchase, repurchase, redemption, defeasance or other acquisition or retirement or in anticipation of satisfying a sinking fund obligation, principal instalment or final maturity, in each case, due within one year of the date of payment, purchase, repurchase, redemption, defeasance or other acquisition or retirement and (ii) intercompany Debt between the Issuer and any Restricted Subsidiary or among Restricted Subsidiaries);

(d) make any payment (whether of principal, interest or other amounts) on, or purchase, repurchase, redeem, defease or otherwise acquire or retire for value any Subordinated Shareholder Debt (other than any payment of interest thereon in the form of additional Subordinated Shareholder Debt); or

(e) make any Restricted Investment in any Person.

If any Restricted Payment described above is not made in cash, the amount of the proposed Restricted Payment will be the Fair Market Value of the asset to be transferred as at the date of transfer.

(2) Notwithstanding paragraph (1) above, the Issuer or any Restricted Subsidiary may make a Restricted Payment if, at the time of and after giving *pro forma* effect to such proposed Restricted Payment:

(a) no Default or Event of Default has occurred and is continuing;

(b) the Issuer could Incur at least €1.00 of additional Debt pursuant to the ratio set forth in paragraph (1) of the "*Limitation on Debt*" covenant; and

(c) the aggregate amount of all Restricted Payments declared or made after the Issue Date, and after giving effect to any reductions required by paragraph (4) below, does not exceed the sum of:

(i) 50% of aggregate Consolidated Net Income on a cumulative basis during the period beginning on April 1, 2021 and ending on the last day of the Issuer's most recent fiscal semi-annual period ending prior to the date of such proposed Restricted Payment (or, if such aggregate cumulative Consolidated Net Income shall be a negative number, minus 100% of such negative amount); plus

(ii) 100% of the aggregate Net Cash Proceeds and the Fair Market Value of property or assets or marketable securities received by the Issuer after the Issue Date as equity capital contributions or from the issuance or sale (other than to any Subsidiary) of shares of the Issuer's Qualified Capital Stock (including upon the exercise of options, warrants or rights) or warrants, options or rights to purchase shares of the Issuer's Qualified Capital Stock (except, in each case to the extent such proceeds are used to purchase, redeem or otherwise retire Capital Stock or Subordinated Debt as set forth in clauses (d) or (e) of paragraph (3) below) (excluding (x) any Contribution Amounts and (y) the Net Cash Proceeds and the Fair Market Value of property or assets or marketable securities received from the issuance of the Issuer's Qualified Capital Stock financed, directly or indirectly, using funds borrowed from the Issuer or any Subsidiary until and to the extent such borrowing is repaid); plus

(iii) (x) the amount by which the Issuer's Debt or Debt of any Restricted Subsidiary is reduced on the Issuer's consolidated balance sheet after the Issue Date upon the conversion or exchange (other than by a Subsidiary) of such Debt into the Issuer's Qualified Capital Stock and (y) the aggregate Net Cash Proceeds and the Fair Market Value of property or assets or marketable securities received after the Issue Date by the Issuer from the issuance or sale (other than to any Subsidiary) of Redeemable Capital Stock that has been converted into or exchanged for the Issuer's Qualified Capital Stock, to the extent such Redeemable Capital Stock was originally sold for cash or Cash Equivalents, together with, in the case of both clauses (x) and (y), the aggregate Net Cash Proceeds and the Fair Market Value of property or assets or marketable securities received by the Issuer at the time of such conversion or exchange (excluding the Net Cash Proceeds from the issuance of the Issuer's Qualified Capital Stock financed, directly or indirectly, using funds borrowed from the Issuer or any Subsidiary until and to the extent such borrowing is repaid); plus

(iv) (x) repurchases, redemptions or other acquisitions or retirements of any Restricted Investment, proceeds realized upon the sale or other disposition to a Person other than the Issuer or a Restricted Subsidiary of any such Restricted Investment, repayments of loans or advances or other transfers of assets (including by way of dividend, distribution, interest payments or returns of capital) to the Issuer or any Restricted Subsidiary, less the cost of the disposition of such Investment and net of taxes, (y) if such Investment constituted a guarantee, an amount equal to the amount of such guarantee upon the full and unconditional release of such guarantee and (z) in the case of the designation of an Unrestricted Subsidiary as a Restricted Subsidiary (as long as the designation of such Subsidiary as an Unrestricted Subsidiary was deemed a Restricted Payment), the Fair Market Value of the Issuer's interest in such Subsidiary; plus

(v) in the event that the Issuer or any Restricted Subsidiary makes any Investment in a Person that, as a result of or in connection with such Investment, becomes a Restricted Subsidiary, an amount equal to the Fair Market Value of the Issuer's or such Restricted Subsidiary's existing interest in such Person that was previously treated as a Restricted Payment.

(3) Notwithstanding paragraphs (1) and (2) above, the Issuer and any Restricted Subsidiary may take the following actions; *provided* that solely with respect to clauses (n), (o) and (r) below, no Default or Event of Default has occurred and is continuing:

(a) the payment of any dividend or the consummation of any redemption within 90 days after the date of its declaration or giving of notice of redemption, as applicable, if at such date of its declaration or giving of notice of redemption, as applicable, such payment would have been permitted by the provisions of this "*Limitation on Restricted Payments*" covenant;

(b) cash payments in lieu of issuing fractional shares pursuant to the exchange or conversion of any exchangeable or convertible securities;

(c) any payments made as part of the Transactions;

(d) the repurchase, redemption or other acquisition or retirement for value of any shares of the Issuer's Capital Stock or options, warrants or other rights to acquire such Capital Stock in exchange for (including any such exchange pursuant to the exercise of a conversion right or privilege in connection with which cash is paid in lieu of the issuance of fractional shares or scrip), or out of the Net Cash Proceeds of a substantially concurrent issuance and sale (other than to a Subsidiary) of, shares of the Issuer's Qualified Capital Stock or options, warrants or other rights to acquire such Capital Stock or Subordinated Shareholder Debt (excluding any Contribution Amounts);

(e) the prepayment, repayment, purchase, repurchase, redemption, defeasance or other acquisition or retirement for value or payment of principal of any Subordinated Debt in exchange for, or out of the Net Cash Proceeds of the issuance and sale (other than to a Subsidiary) of, shares of the Issuer's Qualified Capital Stock or Subordinated Shareholder Debt;

(f) the prepayment, repayment, purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of Subordinated Debt (other than Redeemable Capital Stock) in exchange for, or out of the Net Cash Proceeds of the Incurrence (other than to a Subsidiary) of, Permitted Refinancing Debt;

(g) the declaration or payment of any dividend or distribution to holders of Capital Stock of a Restricted Subsidiary on a *pro rata* basis or on a basis that results in the receipt by the Issuer or a Restricted Subsidiary of dividends or distributions of greater value than the Issuer or such Restricted Subsidiary would receive on a *pro rata* basis;

(h) the repurchase of Capital Stock deemed to occur upon the exercise of stock options with respect to which payment of the cash exercise price has been forgiven if the cumulative aggregate value of such deemed repurchases does not exceed the cumulative aggregate amount of the exercise price of such options received;

(i) the declaration and payment of dividends to holders of any class or series of Redeemable Capital Stock issued in accordance with the "*Limitation on Debt*" covenant;

(j) the purchase, repurchase, redemption, retirement or other acquisition for value of Capital Stock deemed to occur upon the exercise of stock options, warrants or other securities, if such Capital Stock represents a portion of the exercise price of such options, warrants or other securities;

(k) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Debt of the Issuer or any of its Restricted Subsidiaries pursuant to provisions similar to those described under "*—Change of Control*;" *provided* that all Notes validly tendered by Holders in connection with a Change of Control Offer have been repurchased, redeemed or acquired for value, as applicable;

(l) the purchase, repurchase, redemption, acquisition or retirement of Subordinated Debt of the Issuer or any Restricted Subsidiary with any Excess Proceeds remaining after consummation of an Excess Proceeds Offer pursuant to the covenant described under "*—Limitation on Asset Sales*;"

(m) the purchase, repurchase, redemption, defeasance or other acquisition, cancellation or retirement for value of Capital Stock of the Issuer, any Restricted Subsidiary or any Parent (including any options, warrants or other rights in respect thereof) and loans, advances, dividends or distributions by the Issuer to any Parent or any Special Purpose Vehicle to permit any Parent or any Special Purpose Vehicle to purchase, repurchase, redeem, defease or otherwise acquire, cancel or retire for value Capital Stock of the Issuer, any Restricted Subsidiary or any Parent (including any options, warrants or other rights in respect thereof), or payments to purchase, repurchase, redeem, defease or otherwise acquire, cancel or retire for value Capital Stock of the Issuer, any Restricted Subsidiary or any Parent (in each case including any options, warrants or other rights in respect thereof), in each case from Management Investors; *provided* that such payments, loans, advances, dividends or distributions do not exceed an amount (net of repayments of any such loans or advances) equal to the €5.0 million in any twelve-month period (with unused amounts being carried over to the next twelve-month period), plus (b) the Net Cash Proceeds received by the Issuer or its Restricted Subsidiaries since the Issue Date (including through receipt of proceeds from the issuance or sale of its Capital Stock to a Parent) from, or as a contribution to the equity (in each case under this clause (b), other than through Excluded Contributions) of the Issuer from, the issuance or sale to Management Investors of Capital Stock (including any options, warrants or other rights in respect thereof) plus (c) the Net Cash Proceeds of key man life insurance policies, to the extent such Net Cash Proceeds in sub-clauses (b) and (c) are not included in any calculation under clause (c)(ii) of the first paragraph describing this covenant; and *provided further* that cancellation of Debt owing to the Issuer or any Restricted Subsidiary from members of management, directors or employees of any Parent, the Issuer or

Restricted Subsidiaries in connection with a repurchase of Capital Stock of the Issuer or any Parent will not be deemed to constitute a Restricted Payment for purposes of this covenant or any other provision of the Indenture;

(n) any Restricted Payment; *provided* that the total aggregate amount of Restricted Payments made under this clause (n) does not exceed the greater of €125.0 million and 3.6% of Total Assets;

(o) any Restricted Payment; *provided* that the Consolidated Net Leverage Ratio would not be greater than 4.50 to 1.00 on a *pro forma* basis after giving effect to such Restricted Payment;

(p) payments pursuant to any Tax Sharing Agreement or arrangement among the Issuer and its Subsidiaries and other Persons with which the Issuer or any of its Subsidiaries is required or permitted to file a consolidated tax return or with which the Issuer or any of its Restricted Subsidiaries is a part of a group for tax purposes; *provided, however*, that such payments will not exceed the amount of tax that the Issuer and its Subsidiaries, whichever is included in the relevant consolidated or group return, would owe on a standalone basis and the related tax liabilities of such Issuer and Subsidiaries, as the case may be, are relieved by the payment of such amounts to a relevant taxing authority;

(q) the distribution, as a dividend or otherwise, of shares of Capital Stock of, or Debt owed to, the Issuer or a Restricted Subsidiary by Unrestricted Subsidiaries;

(r) any Restricted Payment; *provided* that the total aggregate amount of Restricted Payments made under this clause (r) does not exceed €30.0 million in any fiscal year (with unused amounts being carried over to the next fiscal year); and

(s) payment of any Receivables Fees and purchases of receivables and other assets pursuant to a Receivables Repurchase Obligation in connection with a Qualified Receivables Financing.

(4) The actions described in clauses (a), (n), (o) and (r) of paragraph (3) above are Restricted Payments that will be permitted to be made in accordance with paragraph (3) but that will reduce the amount that would otherwise be available for Restricted Payments under clause (c) of paragraph (2) above.

(5) In the event an item meets the criteria of more than one category of Permitted Investment and/or Restricted Payment, as applicable, the Issuer in its sole discretion, may classify any Permitted Investment or other Restricted Payment as being made in part under one of the clauses or sub-clauses of this covenant (or, in the case of any Permitted Investment, the clauses or sub-clauses of Permitted Investments) and in part under one or more other such clauses or sub-clauses.

Limitation on Transactions with Affiliates

(1) The Issuer will not, and will not permit any Restricted Subsidiary to, directly or indirectly, enter into or suffer to exist any transaction or series of related transactions (including, without limitation, the sale, purchase, exchange or lease of assets or property or the rendering of any service), with, or for the benefit of, any Affiliate of the Issuer or any other Restricted Subsidiary having a value greater than the greater of €10.0 million and 3.3% of Consolidated EBITDA, unless such transaction or series of transactions is entered into in good faith and:

(a) such transaction or series of transactions is on terms that, taken as a whole, are not materially less favorable to the Issuer or such Restricted Subsidiary, as the case may be, than those that could have been obtained in a comparable arm's-length transaction (as determined in good faith by the Issuer) with a Person that is not an Affiliate; and

(b) with respect to any transaction or series of related transactions involving aggregate payments or the transfer of assets or the provision of services, in each case having a value greater than the greater of €25.0 million and 8.4% of Consolidated EBITDA, the Issuer will deliver a resolution of its Board of Directors (attached to an Officer's Certificate to the Trustee) resolving that such transaction complies with clause (a) above and that the fairness of such transaction has been approved by a majority of the Disinterested Members, if any, of the Board of Directors.

(2) Notwithstanding the foregoing, the restrictions set forth in this description will not apply to:

(a) reasonable directors' fees, indemnities and similar arrangements (including the payment of directors' and officers' insurance premiums), consulting and advisory fees, employee compensation, employee and director bonuses, directorship, employment or consulting agreements and arrangements, collective bargaining agreements, employee benefit arrangements, including vacation, health, insurance, deferred compensation, severance, retirement, savings or other similar plans, programs or arrangements or legal fees payable to any current or former employee, officer or director as long as the Issuer's Board of Directors has approved the terms thereof and deemed the services performed or thereafter to be performed for amounts to be fair consideration therefor;

(b) Permitted Investments (other than pursuant to clause (c)(iii), (q) or (u) of the definition thereof) and any Restricted Payment not prohibited by the "*Limitation on Restricted Payments*" covenant;

(c) any Management Advances and any waiver or transaction with respect thereto;

(d) agreements, instruments and arrangements existing on the Issue Date, and any amendment, extension, renewal, refinancing, modification or supplement thereto and any payments or transaction in relation thereto; *provided* that any such amendment, extension, renewal, refinancing, modification or supplement to the terms thereof is not more disadvantageous (as determined in good faith by the Issuer), taken as a whole, to the Holders of the Notes and to the Issuer and its Restricted Subsidiaries, as applicable, in any material respect than the original agreement or arrangement as in effect on the Issue Date or the Completion Date, as applicable;

(e) the issuance of securities or other payments, awards or grants in cash, securities or similar transfers pursuant to, or for the purpose of the funding of, directorship, employment or consulting arrangements, stock options, stock ownership plans and other similar arrangements, as long as the terms thereof are or have been previously approved by the Issuer's Board of Directors;

(f) the granting and performance of registration rights for the Issuer's securities;

(g) transactions between or among the Issuer and the Restricted Subsidiaries or between or among Restricted Subsidiaries;

(h) any issuance of Capital Stock (other than Redeemable Capital Stock) of the Issuer or options, warrants or other rights to acquire such Capital Stock (other than Redeemable Capital Stock);

(i) the existence of, or the performance by the Issuer or any of its Restricted Subsidiaries of its obligations under the terms of, any transaction pursuant to or contemplated by, and any payments pursuant to or for purposes of funding, any agreement or instrument in effect as of or on the Issue Date; *provided, however*, that the existence of, or the performance by the Issuer or any of its Restricted Subsidiaries of, obligations under any future amendment to any such existing agreement or under any similar agreement entered into after the Issue Date shall only be permitted by this clause (i) to the extent that the terms of any such amendment or new agreement are not otherwise disadvantageous in any material respect (as determined in good faith by the Issuer) to the Holders of the Notes when taken as a whole;

(j) transactions with a Person that is an Affiliate of the Issuer or any Restricted Subsidiary solely (x) because the Issuer or a Restricted Subsidiary owns Capital Stock in such Person, (y) because the Issuer or a Restricted Subsidiary has the right to designate one or more members of the Board of Directors or similar governing body of such Person, or (z) as a result of both such ownership of Capital Stock and such right to so designate;

(k) transactions with customers, clients, Associates (including joint venture partners), suppliers or purchasers or sellers of goods or services, lessors or lessees of property or providers of employees or other labor, in each case in the ordinary course of business and otherwise in compliance with the terms of the Indenture that are which are fair to the Issuer or the relevant Restricted Subsidiary in the reasonable determination of the Board of Directors or an Officer of the Issuer or the relevant Restricted Subsidiary, or are on terms no less favorable than those that could reasonably have been obtained at such time from an unaffiliated party;

(l) the execution of, delivery of and performance under any Tax Sharing Agreement or any arrangement pursuant to which the Issuer or any Restricted Subsidiary is required or permitted to file a consolidated tax return, or the formation and maintenance of any consolidated group for tax, accounting or cash pooling or management purposes in the ordinary course of business; and

(m) any transaction effected as part of a Qualified Receivables Financing or Permitted Recourse Receivables Financing;

(n) the Transactions;

(o) any transactions in respect of which the Issuer or a Restricted Subsidiary delivers to the Trustee a letter from an Independent Financial Advisor stating that such transaction is (i) fair to the Issuer or such Restricted Subsidiary from a financial point of view or (ii) on terms not less favorable than might have been obtained in a comparable transaction at such time on an arm's-length basis from a Person who is not an Affiliate; and

(p) pledges of Capital Stock of an Unrestricted Subsidiaries.

Limitation on Liens

(1) The Issuer will not, and will not permit any Restricted Subsidiary to, directly or indirectly, create or permit to exist any Lien on any of its property or assets, whether owned on the date of the Indenture or thereafter acquired, securing any Debt of the Issuer or any Restricted Subsidiary (the "**Initial Lien**"), unless (i) such Lien is a Permitted Lien or (ii) contemporaneously therewith effective provision is made to secure the Notes and the Indenture or, in respect of Liens on property or assets of any Guarantor, such Guarantee thereof, equally and ratably with (or, in the case of Subordinated Debt of the Issuer or a Guarantor on a senior basis to) such Debt for so long as such Debt is so secured by such Initial Lien.

(2) Any such Lien created as a result of this covenant "*Limitation on Liens*" in favor of the Notes or any such Guarantee will be automatically and unconditionally released and discharged upon the release and discharge of the Initial Lien to which it relates.

(3) With respect to any Lien securing Debt that was permitted to secure such Debt at the time of the Incurrence of such Debt, such Lien shall also be permitted to secure any

Increased Amount of such Debt. The "**Increased Amount**" of any Debt shall mean any increase in the amount of such Debt in connection with any accrual of interest, the accretion of accreted value, the amortization of original issue discount, the payment of interest in the form of additional Debt with the same terms, accretion of original issue discount or liquidation preference and increases in the amount of Debt outstanding solely as a result of fluctuations in the exchange rate of currencies or increases in the value of property securing Debt.

Change of Control

(1) If a Change of Control occurs at any time, the Issuer will make an offer (a "**Change of Control Offer**") to each Holder of Notes to purchase such Holder's Notes, in whole or in part, in a principal amount of €100,000 or in integral multiples of €1,000 in excess thereof at a purchase price (the "**Change of Control Purchase Price**") in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of purchase (the "**Change of Control Purchase Date**").

(2) Within 30 days following any Change of Control, the Issuer will send notice of the Change of Control Offer by first-class mail, with a copy to the Trustee, Registrar and each Paying Agent, to each Holder of Notes appearing in the security register on such date, which notice will state:

(a) that a Change of Control has occurred and the date it occurred;

(b) the circumstances and relevant facts regarding such Change of Control;

(c) the Change of Control Purchase Price and the Change of Control Purchase Date, which will be a business day no earlier than 10 days nor later than 60 days after the date such notice is mailed, or such later date as is necessary to comply with any requirements under the Exchange Act or any other applicable securities laws or regulations;

(d) that any Note accepted for payment pursuant to the Change of Control Offer will cease to accrue interest after the Change of Control Purchase Date unless the Change of Control Purchase Price is not paid on such date;

(e) that any Note or part thereof not tendered will continue to accrue interest; and

(f) any other procedures that a Holder of Notes must follow to accept a Change of Control Offer or to withdraw such acceptance.

(3) Upon receipt by the Trustee from the Issuer of an Officer's Certificate stating the aggregate principal amount of Notes or portions thereof being purchased by the Issuer in the Change of Control, the Trustee will promptly authenticate and deliver a new Note or Notes in a principal amount equal to any unpurchased portion of Notes surrendered, if any, to the Holder of Notes in global form or to each Holder of certificated Notes; *provided* that each such new Note will be in a principal amount of €100,000 or in integral multiples of €1,000 in excess thereof. The Issuer will publicly announce the results of a Change of Control Offer on or as soon as practicable after the Change of Control Purchase Date.

(4) The Issuer will not be required to make a Change of Control Offer following a Change of Control if (i) the Notes have been irrevocably and unconditionally called for redemption as described under "—*Optional Redemption*" or (ii) a third party has made, and not terminated, a tender offer for all of the Notes in the manner and at the times applicable to a Change of Control Offer, at a tender offer purchase price in cash equal to at least 101% of the principal amount thereof on the date of purchase, plus accrued and unpaid interest, if any, and such third party purchases all of the Notes validly tendered and not withdrawn under such tender offer. No Note will be purchased in part if less than

€100,000 in original principal amount of such Note would remain outstanding following such purchase.

Notwithstanding anything to the contrary contained herein, a Change of Control Offer may be made in advance of a Change of Control, conditional upon the consummation of such Change of Control, if a definitive agreement is in place for the Change of Control at the time the Change of Control Offer is made.

The Issuer and any Guarantor will comply with the applicable tender offer rules, including Rule 14e-l under the Exchange Act, and any other applicable securities laws and regulations in connection with a Change of Control Offer. To the extent that the provisions of any securities laws or regulations conflict with provisions of the Indenture, the Issuer and each Guarantor will comply with such applicable securities laws and regulations and will not be deemed to have breached their obligations under the Indenture by virtue of such conflict.

The occurrence of certain events that would constitute a Change of Control could constitute a default under the Group's existing debt. The Issuer's future debt and the future debt of its Subsidiaries, may also contain provisions that, if certain events occur, would require such debt to be repurchased. In addition, the exercise by the Holders of the Notes of their right to require a repurchase of the Notes upon a Change of Control could cause a default under existing debt and any such future debt, even if the Change of Control itself does not, due to the possible financial effect on the Issuer or any Guarantors of such repurchase. Not all business combinations or acquisitions of us by third parties would necessarily result in a Change of Control and may not result in a Change of Control Offer to Holders of the Notes. The provisions of the Indenture will not give Holders the right to require the repurchase of the Notes in the event of certain transactions including a reorganization, restructuring, merger or similar transaction that may adversely affect Holders of the Notes, if such transaction is not a transaction defined as a Change of Control. Any such transaction, however, would have to comply with the applicable provisions of the Indenture, including those described under *"—Certain Covenants—Limitation on Debt*." The existence, however, of a Holder of the Notes' right to require the Issuer to repurchase such Holder's Notes upon a Change of Control may deter a third party from acquiring the Issuer or any of its Subsidiaries if such acquisition would constitute a Change of Control.

If a Change of Control Offer is made, the Issuer will not be able to provide any assurance that it will have available funds sufficient to pay the Change of Control Purchase Price for all the Notes that might be delivered by Holders of the Notes seeking to accept the Change of Control Offer. Even if sufficient funds were available, the terms of any other debt of the Issuer and its Subsidiaries may prohibit the repurchase of the Notes prior to their scheduled maturity. If the Issuer were not able to prepay any debt containing any such restrictions, or obtain requisite consents, the Issuer would be unable to fulfil its repurchase obligations to Holders of Notes who accept the Change of Control Offer. If a Change of Control Offer was not made or consummated or the Change of Control Purchase Price was not paid when due, such failure would result in an Event of Default and would give the Trustee and the Holders of the Notes the rights described under *"—Events of Default*." An Event of Default under the Indenture unless waived, would result in a cross-default under certain of the financing arrangements described under "*Description of Certain Financing Arrangements*."

The definition of "Change of Control" includes a disposition of all or substantially all of the assets of the Issuer and its Restricted Subsidiaries to any Person. Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition of such phrase under applicable law. Accordingly, in certain circumstances, there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of "all or substantially all" of the assets of the Issuer and the Restricted Subsidiaries. As a result, it may be unclear as to whether a Change of Control has occurred and whether a Holder of Notes may require the Issuer to make an offer to repurchase the Notes as described above.

The provisions of the Indenture relating to the Issuer's obligation to make an offer to repurchase the Notes following a Change of Control may be waived or modified with the prior written consent of the Holders of a majority in principal amount of the Notes. See "—*Amendments and Waivers*" below.

Limitation on Asset Sales

(1) The Issuer will not, and will not permit any Restricted Subsidiary to, consummate any Asset Sale unless:

(a) the consideration (including by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise) the Issuer or such Restricted Subsidiary receives for such Asset Sale is not less than the Fair Market Value of the assets sold (as determined in good faith by the Issuer, and the Issuer's determination (including the Board of Directors' determination, as applicable) will be conclusive (as to the value of any and all non-cash consideration));

(b) except in the case of a Permitted Asset Swap, at least 75% of the consideration the Issuer or such Restricted Subsidiary receives in respect of such Asset Sale consists of:

(i) cash (including any Net Cash Proceeds received from the conversion to cash within 180 days of such Asset Sale of securities, notes or other obligations received in consideration of such Asset Sale);

(ii) Cash Equivalents (including any Net Cash Proceeds received from the conversion to cash or Cash Equivalents within 180 days of such Asset Sale of securities, notes or other obligations received in consideration of such Asset Sale);

(iii) the assumption by the purchaser of (x) the Issuer's Debt or Debt of any Restricted Subsidiary (other than Subordinated Debt) as a result of which neither the Issuer nor any of the Restricted Subsidiaries remains obliged in respect of such Debt or (y) Debt of a Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Sale, if the Issuer and each other Restricted Subsidiary is released from the Guarantee of such Debt as a result of such Asset Sale;

(iv) Replacement Assets;

(v) any Designated Non-cash Consideration received by the Issuer or any of its Restricted Subsidiaries in such Asset Sale; *provided* that the aggregate Fair Market Value of such Designated Non-cash Consideration, taken together with the Fair Market Value at the time of receipt of all other Designated Non-cash Consideration received pursuant to this clause (v), less the amount of Net Cash Proceeds previously realized in cash from prior Designated Non-cash Consideration does not exceed (with the Fair Market Value of each item of Designated Non-cash Consideration being measured at the time received and without giving effect to subsequent changes in value) the greater of €50.0 million and 1.5% of Total Assets; or

(vi) a combination of the consideration specified in clauses (i) through (v); and

(c) the Issuer delivers an Officer's Certificate to the Trustee certifying that such Asset Sale complies with the provisions described in the foregoing clauses (a) and (b).

(2) If the Issuer or any Restricted Subsidiary consummates an Asset Sale, the Net Cash Proceeds of the Asset Sale, within 365 days of the receipt of the Net Cash Proceeds of such Asset Sale (or the Issuer or any such Restricted Subsidiary may enter into a binding commitment to so use; *provided* that such Net Cash Proceeds are so used within 180

days after the expiration of the aforementioned 365 day period, may be used by the Issuer or such Restricted Subsidiary to:

(a) to prepay, redeem, repay or purchase any Debt of the Issuer or any Restricted Subsidiary that is not Subordinated Debt (including the Notes) or (in the case of letters of credit, bankers' acceptances or other similar instruments constituting Debt that is not Subordinated Debt) cash collateralize any such Debt (in each case other than Debt owed to the Issuer or a Restricted Subsidiary) and, if the Debt prepaid, redeemed or repaid is revolving credit Debt, to correspondingly reduce commitments with respect thereto (except that no such reduction will be required to the extent that such Debt would, immediately after giving effect to such prepayment, repayment, repurchase or redemption, have been capable of being reincurred under the first paragraph of the covenant described under "*Certain Covenants—Limitation on Debt*");

(b) to invest in any Replacement Assets or make capital expenditures (including by means of capital expenditure by, or an investment in Replacement Assets by, a Restricted Subsidiary with an amount equal to some or all of the Net Cash Proceeds received by the Issuer or another Restricted Subsidiary); or

(c) do any combination of the foregoing.

The amount of such Net Cash Proceeds actually received by the Issuer or any Restricted Subsidiary but not so used as set forth in this paragraph (2) constitutes "**Excess Proceeds**." Pending the final application of any such Net Cash Proceeds in accordance with paragraphs (2)(a), (b) or (c) above, the Issuer or any Restricted Subsidiary may temporarily reduce Debt or otherwise use such Net Cash Proceeds in any manner not prohibited by the Indenture; (ii) the Issuer or any Restricted Subsidiary may elect to invest in Additional Assets prior to receiving the Net Cash Proceeds attributable to any given Asset Sale (*provided that* such investment shall be made no earlier than the earliest of execution of a definitive agreement for the relevant Asset Sale or consummation of the relevant Asset Sale) and deem the amount so invested to be applied pursuant to and in accordance with paragraph (b) above with respect to such Asset Sale; and (iii) notwithstanding any term of this paragraph, to the extent that (I) a distribution of any or all of the Net Cash Proceeds of any Asset Sale by a Subsidiary to the Issuer or another Restricted Subsidiary (to the extent necessary to comply with this covenant) is prohibited or delayed by applicable local law (including financial assistance and corporate benefit restrictions and fiduciary and statutory duties of the relevant directors, Directive 2011/61/EU and any other law or by any organizational documents or any agreement) or (II) a distribution of any or all of the Net Cash Proceeds of any Asset Sale by a Subsidiary to the Issuer or another Restricted Subsidiary (to the extent necessary to comply with this covenant) could result in material adverse Tax consequences, as determined by the Issuer in its sole discretion, the portion of such Net Cash Proceeds so affected will not be required to be applied in compliance with this paragraph.

(3) When the aggregate amount of Excess Proceeds exceeds the greater of €50 million and 1.5% of Total Assets, the Issuer will, within 30 Business Days, make an offer to purchase (an "**Excess Proceeds Offer**") from all Holders of Notes and, at the Issuer's election, from the holders of any *Pari Passu* Debt, to the extent required by the terms thereof, on a *pro rata* basis, in accordance with the procedures set forth in the Indenture or the agreements governing any such *Pari Passu* Debt, the maximum principal amount, in the case of the Notes (expressed as a minimum amount of €100,000 and integral multiples of €1,000 in excess thereof) of the Notes and any such *Pari Passu* Debt that may be purchased with the amount of the Excess Proceeds. The offer price as to each Note and any such *Pari Passu* Debt will be payable in cash in an amount equal to (solely in the case of the Notes) 100% of the principal amount of such Note being repurchased and

(solely in the case of *Pari Passu* Debt) no greater than 100% of the principal amount (or accreted value, as applicable) of such *Pari Passu* Debt being redeemed or repurchased, plus, in each case, accrued and unpaid interest, if any, to the date of purchase.

To the extent that the aggregate principal amount of Notes and any such *Pari Passu* Debt tendered pursuant to an Excess Proceeds Offer is less than the aggregate amount of Excess Proceeds, the Issuer may use the amount of such Excess Proceeds not used to purchase Notes and *Pari Passu* Debt for any purposes that are not otherwise prohibited by the Indenture. If the aggregate principal amount of Notes and any such *Pari Passu* Debt validly tendered and not withdrawn by holders thereof exceeds the aggregate amount of Excess Proceeds, the Notes and any such *Pari Passu* Debt to be purchased will be allocated on a *pro rata* basis (based upon the principal amount of Notes and the principal amount or accreted value of such *Pari Passu* Debt tendered by each holder). Upon completion of each such Excess Proceeds Offer, the amount of Excess Proceeds will be reset to zero.

(4) If the Issuer is obliged to make an Excess Proceeds Offer, the Issuer will purchase the Notes and *Pari Passu* Debt, at the option of the holders thereof, in whole or in part in a minimum amount of €100,000 and integral multiples of €1,000 in excess thereof on a date that is not earlier than 30 days and not later than 60 days from the date the notice of the Excess Proceeds Offer is given to such Holders, or such later date as may be required under the Exchange Act.

Pending the final application of any Net Cash Proceeds in connection with an Excess Proceeds Offer, the Issuer may temporarily reduce revolving credit borrowings or otherwise use the Net Cash Proceeds in any manner that is not prohibited by the Indenture.

If the Issuer is required to make an Excess Proceeds Offer, the Issuer will comply with the applicable tender offer rules, including Rule 14e-1 under the Exchange Act, and any other applicable securities laws and regulations, including the requirements of any applicable securities exchange on which Notes are then listed. To the extent that the provisions of any securities laws or regulations conflict with the provisions of this "*Limitation on Asset Sales*" covenant, the Issuer will comply with such securities laws and regulations and will not be deemed to have breached its obligations described in this "*Limitation on Asset Sales*" covenant by virtue thereof.

Limitation on Guarantees of Debt

(1) The Issuer will not permit any Restricted Subsidiary that is not a Guarantor, directly or indirectly, to guarantee, assume or in any other manner become liable for the payment of any Debt of the Issuer or any Guarantor outstanding under any Credit Facility Incurred under clause (2)(a) of the covenant described under "*—Limitation on Debt*" or any other Public Debt of the Issuer or any Guarantor (other than the Notes), in each case for Debt in excess of €20.0 million in aggregate amount Incurred, unless such Restricted Subsidiary executes and delivers within five Business Days after such guarantee is Incurred a supplemental indenture to the Indenture providing for a Guarantee of payment of the Notes by such Restricted Subsidiary on the same terms as the guarantee of such other Debt; and with respect to the Guarantee of Subordinated Debt by such Restricted Subsidiary, any such guarantee shall be subordinated to such Restricted Subsidiary's Guarantee with respect to the Notes at least to the same extent as such Subordinated Debt is subordinated to the Notes. The Guarantee of payment of the Notes may contain limitations on such Guarantor's liability to the extent reasonably necessary (as determined in good faith by the Issuer) to recognize certain defenses generally available to guarantors or other considerations under applicable law or regulation.

(2) The provisions of the preceding paragraph will not be applicable to the Guarantee of any Restricted Subsidiary existing on the Issue Date or that existed at the time such Person

became a Restricted Subsidiary if the guarantee was not Incurred in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary.

(3) Notwithstanding the foregoing, the Issuer will not be obligated to cause such Restricted Subsidiary to guarantee the Notes to the extent such Guarantee would reasonably be expected (as determined in good faith by the Issuer) to conflict with the Agreed Guarantee Principles.

(4) The Guarantee of a Guarantor will be automatically and unconditionally released (and thereupon will terminate and be discharged and be of no further force and effect):

(a) upon the sale or disposition (including through merger, consolidation, amalgamation or other combination) or conveyance, transfer or lease of the Capital Stock, or all or substantially all of the assets, of that Guarantor to a Person that is not (either before or after giving effect to the transaction) the Issuer or a Restricted Subsidiary, if such sale or other disposition does not violate the covenants described under the caption "*—Certain Covenants—Limitation on Asset Sales*" or "*—Certain Covenants—Merger, Consolidation or Sale of Assets*";

(b) in connection with any sale or other disposition of the Capital Stock of that Guarantor (or Capital Stock of any Holding Company of such Guarantor (other than the Issuer)) (whether by direct sale or through a Holding Company) to a Person that is not (either before or after giving effect to such transaction) the Issuer or a Restricted Subsidiary, if the sale or other disposition does not violate the provisions set forth below under "*—Certain Covenants—Limitation on Asset Sales*" and as a result of such disposition such Guarantor no longer qualifies as a Subsidiary of the Issuer;

(c) upon a defeasance or satisfaction and discharge of the Indenture that complies with the provisions under "*—Defeasance*" *or* "*—Satisfaction and Discharge*;"

(d) upon the designation by the Issuer of the Guarantor (or a Holding Company thereof) as an Unrestricted Subsidiary in compliance with the terms of the Indenture;

(e) upon the liquidation or dissolution of the Guarantor; *provided* that no Default or Event of Default has occurred and is continuing;

(f) upon repayment in full of the Notes;

(g) the implementation of a Permitted Reorganization;

(h) in the case of any Restricted Subsidiary that after the Issue Date is required to guarantee the Notes pursuant the first paragraph of this covenant, the release or discharge of the guarantee by such Restricted Subsidiary which resulted in the obligation to guarantee the Notes; or

(i) as described under "*—Amendments and Waivers*."

Upon any occurrence giving rise to a release of any Guarantee as specified above, the Trustee will execute, subject to the receipt of certain Officer's Certificates and an opinion of counsel, any documents reasonably required in order to evidence or effect such release, discharge and termination in respect of the Guarantee. Neither the Issuer nor the Guarantors will be required to make a notation on the Notes to reflect the Guarantees or any such release, termination or discharge. Each of the releases and amendments set forth above shall be effected by the Trustee without any consent of the Holders or any other action or consent on the part of the Trustee.

Limitation on Dividends and Other Payment Restrictions Affecting Restricted Subsidiaries

(1) The Issuer will not, and will not permit any Restricted Subsidiary to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any consensual encumbrance or restriction of any kind on the ability of any Restricted Subsidiary to:

(a) pay dividends, in cash or otherwise, or make any other distributions on or in respect of its Capital Stock or any other interest or participation in, or measured by, its profits;

(b) pay any Debt owed to the Issuer or any other Restricted Subsidiary;

(c) make loans or advances to the Issuer or any other Restricted Subsidiary; or

(d) transfer any of its properties or assets to the Issuer or any other Restricted Subsidiary,

provided that (i) the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock and (ii) the subordination of (including the application of any standstill requirements to) loans or advances made to the Issuer or any Restricted Subsidiary to other Debt Incurred by the Issuer or any Restricted Subsidiary, in each case, shall not be deemed to constitute such an encumbrance or restriction.

(2) The provisions of the "*Limitation on Dividends and Other Payment Restrictions Affecting Restricted Subsidiaries*" covenant described in paragraph (1) above will not apply to:

(a) encumbrances and restrictions imposed by the Notes and the Indenture;

(b) encumbrances or restrictions imposed by Debt permitted to be Incurred under Credit Facilities or any guarantee thereof in accordance with the "*Limitation on Debt*" covenant or pursuant to paragraph (2) of such "*Limitation on Debt*" covenant; *provided* that in the case of any such encumbrances or restrictions imposed under any Credit Facility, such encumbrances or restrictions taken as a whole are not materially less favorable to the Holders taken as a whole than those imposed by the Notes or any Credit Facility as at the Issue Date (as determined in good faith by the Issuer);

(c) encumbrances or restrictions contained in any agreement or instrument in effect on the Issue Date;

(d) with respect to restrictions or encumbrances referred to in clause (1)(d) above, encumbrances and restrictions: (i) that restrict in a customary manner the subletting, assignment or transfer of any properties or assets that are subject to a lease, sublease, license, sublicense, conveyance or other similar agreement to which the Issuer or any Restricted Subsidiary is a party; or (ii) contained in operating leases for real property and restricting only the transfer of such real property upon the occurrence and during the continuance of a default in the payment of rent;

(e) encumbrances or restrictions contained in any agreement or other instrument of a Person or relating to assets acquired by the Issuer or any Restricted Subsidiary in effect at the time of such acquisition (but not created in contemplation thereof), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired;

(f) encumbrances or restrictions contained in contracts for sales of Capital Stock or assets permitted by the "*Limitation on Asset Sales*" covenant with respect to the assets or Capital Stock to be sold pursuant to such contract or in customary merger or acquisition agreements (or any option to enter into such contract) for the purchase or acquisition of Capital Stock or assets or any of the Issuer's Subsidiaries by another Person;

(g) encumbrances or restrictions imposed by applicable law or regulation or by governmental licenses, authorizations, concessions, franchises or permits;

(h) encumbrances or restrictions on cash or other deposits or net worth imposed by customers or suppliers or surety, insurance or bonding companies under contracts entered into the ordinary course of business;

(i) customary limitations on the distribution or disposition of assets or property of a Restricted Subsidiary in joint venture agreements, asset sale agreements, sale and leaseback agreements, shareholder agreements, stock sale agreements and other similar agreements entered into the ordinary course of business and in good faith; *provided* that:

   (i) the encumbrance or restriction is not materially less favorable to the Holders taken as a whole than is customary in comparable agreements (as determined in good faith by the Issuer); and

   (ii) the Issuer determines in good faith that any such encumbrance or restriction will not materially affect the ability of the Issuer or any Guarantor to make any principal or interest payments on the Notes;

(j) customary encumbrances or restrictions in connection with purchase money obligations, mortgage financings and Capitalized Lease Obligations for property acquired in the ordinary course of business;

(k) any encumbrance or restriction arising by reason of customary non-assignment or similar provisions in agreements;

(l) any encumbrance or restriction arising pursuant to an agreement or instrument relating to any Debt not prohibited from being Incurred after the Issue Date pursuant to the provisions of the covenant described under "*—Limitation on Debt*:" (i) if the encumbrances and restrictions contained in any such agreement or instrument taken as a whole are not materially less favorable to the Holders taken as a whole than the encumbrances and restrictions contained in the Indenture (as determined in good faith by the Issuer); or (ii) if such encumbrance or restriction is not materially more disadvantageous to the Holders of the Notes than is customary in comparable financings (as determined in good faith by the Issuer);

(m) with respect to restrictions or encumbrances referred to in clause (1)(d) above, encumbrances or restrictions existing by reason of any Lien permitted under "*—Limitation on Liens*;"

(n) any encumbrance or restriction pursuant to any Hedging Agreements;

(o) any encumbrance or restriction pursuant to customary provisions restricting dispositions of real property interests set forth in any reciprocal easements agreements of the Issuer or any Restricted Subsidiary;

(p) any encumbrance or restriction that arises or is agreed to in the ordinary course of business and does not detract from the value of property or assets of the Issuer or any Restricted Subsidiary in any manner material to the Issuer or such Restricted Subsidiary (as determined in good faith by the Issuer);

(q) restrictions effected in connection with a Qualified Receivables Financing or Permitted Recourse Receivables Financing that, in the good faith determination by the Board of Directors or an Officer of the Issuer, are necessary or advisable to effect such Qualified Receivables Financing or Permitted Recourse Receivables Financing; and

(r) any encumbrances or restrictions imposed by any amendments, modifications, restatements, renewals, extensions, increases, supplements, refundings, replacements or refinancings of the contracts, instruments or obligations referred to in clauses (a) through (q), or in this clause (r), of this paragraph (2); *provided* that such amendments, modifications, restatements, renewals, extension, increases, supplements, refundings, replacements or refinancings are, in the good faith judgment of the Issuer, no more restrictive (taken as a whole) with respect to such encumbrances or restrictions than those contained in the encumbrances or restrictions prior to such amendment, modification, restatement, renewal, extension, increase, supplement, refunding, replacement or refinancing.

Designation of Unrestricted and Restricted Subsidiaries

(1) The Issuer's Board of Directors may designate any Subsidiary (including newly acquired or newly established Subsidiaries) to cease to be a "Restricted Subsidiary" and instead to be an "Unrestricted Subsidiary" only if:

(a) no Default has occurred and is continuing at the time of or after giving effect to such designation;

(b) the Issuer would be permitted to make an Investment at the time of designation (assuming the effectiveness of such designation) pursuant to the "*Limitation on Restricted Payments*" covenant (and may classify such amount within its capacity to make Restricted Payments and ability to make payments that would otherwise be Restricted Payments under the "*Limitation on Restricted Payments*" covenant as it sees fit) in an amount equal to the greater of (i) the net book value of the Issuer's interest in such Subsidiary calculated in accordance with IFRS or (ii) the Fair Market Value of the Issuer's interest in such Subsidiary (in each case, as determined by the Issuer in good faith); and

(c) the Issuer would be permitted under the Indenture to Incur at least €1.00 of additional Debt pursuant to the ratio set forth in paragraph (1) of the "*Limitation on Debt*" covenant at the time of such designation (assuming the effectiveness of such designation).

(2) In the event of any such designation, the Issuer will be deemed to have made an Investment constituting a Restricted Payment pursuant to the "*Limitation on Restricted Payments*" covenant for all purposes of the Indenture in an amount equal to the greater of (i) the net book value of the Issuer's interest in such Subsidiary calculated in accordance with IFRS or (ii) the Fair Market Value of the Issuer's interest in such Subsidiary (in each case, as determined by the Issuer in good faith), and may classify such amount within its capacity to make Restricted Payments and permissions to make payments that would otherwise be Restricted Payments under the "*Limitation on Restricted Payments*" covenant as it sees fit.

(3) The Issuer's Board of Directors may designate any Unrestricted Subsidiary as a Restricted Subsidiary:

(a) if no Default or Event of Default has occurred and is continuing at the time of, or will occur and be continuing after giving effect to, such designation; and

(b) unless such designated Unrestricted Subsidiary shall not have any Debt outstanding (other than Debt that would be Permitted Debt), immediately before and after giving effect to such proposed designation, and after giving *pro forma* effect to the Incurrence of any such Debt of such designated Unrestricted Subsidiary as if such Debt was Incurred on the date of its designation as a

Restricted Subsidiary, the Issuer could Incur at least €1.00 of additional Debt pursuant to the ratio set forth in paragraph (1) of the "*Limitation on Debt*" covenant.

(4) Any such designation as an Unrestricted Subsidiary or Restricted Subsidiary by the Issuer's Board of Directors will be evidenced to the Trustee by filing a resolution of the Issuer's Board of Directors with the Trustee giving effect to such designation and an Officer's Certificate certifying that such designation complies with the foregoing conditions, and giving the effective date of such designation. Any such filing with the Trustee must occur within 90 days after the end of the Issuer's fiscal semi-annual period in which such designation is made.

Maintenance of Listing

The Issuer will use its commercially reasonable efforts to maintain the listing of the Notes on the Official List of the Exchange for so long as the Notes are outstanding; *provided* that, if at any time the Issuer determines that it will not maintain such listing, it will obtain prior to the delisting of the Notes from the Official List of the Exchange, and thereafter use its commercially reasonable efforts to maintain, a listing of the Notes on another recognized stock exchange.

Reports

(1) So long as any Notes are outstanding, the Issuer will furnish to the Trustee:

(a) within 120 days following the end of each fiscal year beginning with the fiscal year ending September 30, 2021, annual reports containing the following information: (1) audited consolidated balance sheets of the Issuer as of the end of the two most recent fiscal years and audited consolidated income statements and statements of cash flow of the Issuer for the two most recent fiscal years, including complete notes to such financial statements and the report of the independent auditors on the financial statements; (2) an operating and financial review of the audited financial statements, including a discussion of the results of operations, financial condition, and liquidity and capital resources of the Issuer; (3) unaudited *pro forma* income statement and balance sheet information of the Issuer, together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the most recently completed fiscal year as to which such annual report relates (unless such *pro forma* financial information has been provided in a previous report pursuant to clause (b) or (c) below); provided that such *pro forma* financial information will be provided only to the extent available without unreasonable expense, in which case the Issuer will provide, in the case of a material acquisition, acquired company financial information; (4) a description of the business of the Issuer; and (5) a description of management and shareholders, material debt instruments, material affiliate transactions, material risk factors and material subsequent events all in substantially the same form as presented in this Offering Memorandum; provided that the information in clause (5) may be provided in the notes to the audited financial statements;

(b) semi-annual financial information of the Issuer on a consolidated basis as of and for the period from the beginning of each year to the close of the first half period, together with comparable information for the corresponding period of the preceding year, and an operating and financial review of the financial statements, including a discussion of the results of operations, financial condition, and material changes in liquidity and financial resources of the Issuer within 90 days following the end of the fiscal half beginning with the fiscal half ending March 31, 2022;

(c) promptly after the occurrence of a material acquisition, disposition or restructuring, any change of the Chief Executive Officer or the Chief Financial Officer of the

Issuer or a change in the independent auditors of the Issuer or any other material event, a report containing a description of such event.

(2) No report need include separate financial statements for any Guarantors or non-Guarantor Subsidiaries of the Issuer or any disclosure with respect to the results of operations or any other financial or statistical disclosure not of a type included in this Offering Memorandum.

(3) At any time that any of the Issuer's Subsidiaries are Unrestricted Subsidiaries and any such Unrestricted Subsidiary or a group of Unrestricted Subsidiaries, taken as a whole, constitutes a Significant Subsidiary of the Issuer, then the quarterly and annual financial information required by the first paragraph of this "*Reports*" covenant will include a reasonably detailed presentation, either on the face of the financial statements or in the notes thereto, of the financial condition and results of operations of the Issuer and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Issuer.

(4) For so long as it remains so listed, the Issuer will furnish to the Trustee such other information that the Issuer is required to make publicly available under the requirements of Euronext Paris as a result of having its ordinary shares admitted for trading on such exchange. Notwithstanding paragraph (1) of this covenant, for so long as the Issuer's ordinary shares are admitted for trading on Euronext Paris, upon the Issuer complying with the public reporting requirements of Euronext Paris, to the extent that such requirements include an obligation to prepare and make publicly available annual reports, information, documents and other reports, the Issuer will be deemed to have complied with the provisions contained in clauses (1)(a), (b) and (c) above.

(5) Notwithstanding the foregoing, the Issuer will be deemed to have provided such information to the Trustee, the Holders of the Notes and prospective purchasers of the Notes if such information referenced above in clauses (1)(a), (b) and (c) and (3) above has been posted on the Issuer's website.

Delivery of any information, documents and reports to the Trustee pursuant to this covenant is for informational purposes only and the Trustee's receipt of such information, documents and reports shall not constitute constructive notice of any information contained therein, including the Issuer's compliance with any of the covenants under the Indenture. The Trustee shall not be deemed to be responsible for monitoring the Issuer's website. All reports made pursuant to this covenant shall be made in, or translated to, the English language.

Statement as to Compliance

The Issuer will deliver to the Trustee no later than the date on which the Issuer is required to deliver annual reports pursuant to the covenant described under "—*Reports*" above, an Officer's Certificate stating that in the course of the performance by the relevant officers of their respective duties as an officer of the Issuer they would normally have knowledge of any Default or Event of Default and whether or not such officers know of any Default or Event of Default that occurred during such period and, if any, specifying such Default or Event of Default, its status and what action the Issuer is taking or proposes to take with respect thereto.

Merger, Consolidation or Sale of Assets

Issuer

(1) The Issuer will not, directly or indirectly, in a single transaction or through a series of transactions, merge, consolidate, amalgamate or otherwise combine with or into any other Person or sell, assign, convey, transfer, lease or otherwise dispose of with respect to a demerger or division pursuant to which the Issuer would dispose of, all or substantially all of the Issuer's and the Restricted Subsidiaries' properties and assets,

taken as a whole, to any other Person. The previous sentence will not apply if at the time and immediately after giving effect to any such transaction or series of transactions:

(a) either: (i) the Issuer will be the continuing corporation; or (ii) the Person (if other than the Issuer) formed by or surviving any such merger, consolidation, amalgamation or other combination or to which such sale, assignment, conveyance, transfer, lease or disposition of all or substantially all of the properties and assets of the Issuer and the Restricted Subsidiaries, taken as a whole, has been made (the "**Successor Issuer**"):

(x) will be a corporation duly incorporated and validly existing under the laws of any member state of the European Union as at the Issue Date, the United States of America, any state thereof, or the District of Columbia, Canada or any province of Canada, Norway or Switzerland; and

(y) will expressly assume, by a supplemental indenture, an accession agreement or one or more other documents or instruments, each in a form reasonably satisfactory to the Trustee, the Issuer's obligations under the Notes and the Indenture;

(b) immediately after giving effect to such transaction or series of transactions on a *pro forma* basis (and treating any Debt of the Issuer, any Successor Issuer or any Restricted Subsidiary of such Successor Issuer Incurred in connection with or as a result of such transaction or series of transactions as having been Incurred by the Issuer, such Successor Issuer or any Restricted Subsidiary of such Successor Issuer at the time of such transaction), no Default or Event of Default will have occurred and be continuing;

(c) immediately after giving effect to such transaction or series of transactions on a *pro forma* basis (on the assumption that the transaction or series of transactions occurred on the first day of the semi-annual period immediately prior to the consummation of such transaction or series of transactions with the appropriate adjustments with respect to the transaction or series of transactions being included in such *pro forma* calculation), (i) the Issuer (or the Successor Issuer) could Incur at least €1.00 of additional Debt pursuant to the ratio set forth in paragraph (1) of the "*Limitation on Debt*" covenant or (ii) the Fixed Charge Coverage Ratio would not be lower than it was immediately prior to giving effect to such transaction; and

(d) the Issuer or the Successor Issuer has delivered to the Trustee an Officer's Certificate and an opinion of counsel in forms satisfactory to the Trustee, each stating that such merger, consolidation, amalgamation or other combination or sale, assignment, conveyance, transfer, lease or other disposition, and if a supplemental indenture is required in connection with such transaction, such supplemental indenture, comply with the requirements of the Indenture and that all conditions precedent in the Indenture relating to such transaction have been satisfied and that the Indenture and the Notes constitute legal, valid and binding obligations of the Issuer or the Successor Issuer, enforceable in accordance with their terms (subject to customary assumptions, exceptions, reservations and qualifications, in each case including as to enforceability).

(2) The Successor Issuer will succeed to, and be substituted for, and may exercise every right and power of, the Issuer under the Notes and the Indenture, *provided, however*, that in the case of a lease of all or substantially all of the Issuer's assets, the Issuer will not be released from the obligation to pay the principal of, premium, if any, and interest, on the Notes.

(3) Nothing in the Indenture will prevent (i) any Restricted Subsidiary from consolidating with, merging into or transferring all or substantially all of its properties and assets to the Issuer, a Guarantor or any other Restricted Subsidiary of the Issuer, *provided* the

requirements of clauses (a)(x) and (d) of paragraph (1) above are satisfied, *mutatis mutandis*.

Guarantors

(1) Subject to the provisions described under "—*Guarantees—Release of the Guarantees*," no Guarantor will, directly or indirectly, in a single transaction or through a series of transactions, merge, consolidate, amalgamate or otherwise combine with or into any other Person or sell, assign, convey, transfer, lease or otherwise dispose of with respect to a demerger or division pursuant to which such Guarantor will dispose of, all or substantially all of such Guarantor's properties and assets to any other Person. The previous sentence will not apply if at the time and immediately after giving effect to any such transaction or series of transactions:

(a) either: (i) such Guarantor is the surviving corporation, or (ii) the Person formed by or surviving any such consolidation or merger (if other than such Guarantor) or to which such sale, assignment, transfer, lease, conveyance or other disposition will have been made is a corporation organized or existing under the laws of any member state of the European Union as at the Issue Date, the United Kingdom, the United States of America, any state thereof, or the District of Columbia, Canada or any province of Canada, Norway or Switzerland (such Guarantor or such Person, as the case may be, being herein called the "**Successor Guarantor**");

(b) the Successor Guarantor (if other than such Guarantor), by a supplemental indenture, an accession agreement or one or more other documents or instruments, each in a form reasonably satisfactory to the Trustee, expressly assumes the obligations of such Guarantor under its Guarantee and the Indenture;

(c) immediately after giving *pro forma* effect to such transaction, no Default or Event of Default exists and is continuing; and

(d) the Guarantor or the Successor Guarantor has delivered to the Trustee an Officer's Certificate and an opinion of counsel in forms satisfactory to the Trustee, each stating that such merger, consolidation, amalgamation or other combination or sale, assignment, conveyance, transfer, lease or other disposition, and if a supplemental indenture is required in connection with such transaction, such supplemental indenture, comply with the requirements of the Indenture and that all conditions precedent in the Indenture relating to such transaction have been satisfied and that the Indenture and the Guarantee constitutes a legal, valid and binding obligation of the Guarantor or Successor Guarantor, enforceable in accordance with its terms (subject to customary assumptions, exceptions, reservations and qualifications, in each case including as to enforceability).

(2) The Successor Guarantor will succeed to, and be substituted for, and may exercise every right and power of, the relevant Guarantor under its Guarantee and the Indenture.

(3) Nothing in the Indenture will prevent any Restricted Subsidiary from consolidating with, merging into or transferring all or substantially all of its properties and assets to the Issuer or any Restricted Subsidiary.

Although there is a limited body of case law interpreting the phrase "all or substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve "all or substantially all" of the property or assets of a Person.

Suspension of Covenants on Achievement of Investment Grade Status

If on any date following the Issue Date, the Notes have achieved Investment Grade Status and no Default or Event of Default has occurred and is continuing (a "**Suspension Event**"), then, beginning on that day and continuing until such time, if any, at which the Notes cease to have Investment Grade Status (the "**Reversion Date**"), the provisions of the Indenture summarized under the following captions will not apply to the Notes:

(1) "*—Limitation on Restricted Payments*;"

(2) "*—Limitation on Debt*;"

(3) "*—Limitation on Dividends and Other Payment Restrictions Affecting Restricted Subsidiaries*;"

(4) "*—Limitation on Transactions with Affiliates*;"

(5) "*—Limitation on Guarantees of Debt*;"

(6) clause (1)(c) of "*—Merger, Consolidation or Sale of Assets*" in respect of the Issuer;

(7) "*—Limitation on Asset Sales*;" and

(8) "*—Designation of Unrestricted and Restricted Subsidiaries*."

and, in each case, any related default provision of the Indenture will cease to be effective and will not be applicable to the Issuer and its Restricted Subsidiaries.

During any period that the foregoing covenants have been suspended, neither the Issuer nor any Restricted Subsidiary may designate any of its Subsidiaries as Unrestricted Subsidiaries pursuant to the covenant described under the caption "*—Designation of Unrestricted and Restricted Subsidiaries*," unless such designation would have complied with the covenant described under the caption "*—Limitation on Restricted Payments*" as if such covenant would have been in effect during such period.

Such covenants and any related default provisions will again apply according to their terms from the first day on which a Suspension Event ceases to be in effect. Such covenants will not, however, be of any effect with regard to actions of the Issuer or its Restricted Subsidiaries properly taken during the continuance of the Suspension Event, and no action taken prior to the Reversion Date will constitute a Default or Event of Default. The "*Limitation on Restricted Payments*" covenant will be interpreted as if it has been in effect since the date of the Indenture but not during the continuance of the Suspension Event. On the Reversion Date, all Debt Incurred during the continuance of the Suspension Event will be deemed to have been outstanding on the Issue Date, so that it is classified as permitted under clause (c) of the second paragraph of the covenant described under "*—Limitation on Debt*." In addition, the Indenture will also permit, without causing a Default or Event of Default, the Issuer or any of the Restricted Subsidiaries to honor any contractual commitments or take actions in the future after any date on which the Notes cease to have an Investment Grade Status as long as the contractual commitments were entered into during the Suspension Event and not in anticipation of the Notes no longer having an Investment Grade Status. Upon the occurrence of a Suspension Event, the amount of Excess Proceeds shall be reset at zero. The Issuer shall notify the Trustee that the conditions set forth in the first paragraph under this caption has been satisfied, *provided* that, no such notification shall be a condition for the suspension of the covenants described under this caption to be effective. The Trustee shall have no duty to monitor the ratings of the Notes, shall not be deemed to have any duty to notify Holders if the Notes achieve Investment Grade Status or upon the occurrence of a Reversion Date. There can be no assurance that the Notes will ever achieve or maintain an Investment Grade Status.

Financial Calculations for Limited Condition Transactions

When calculating the availability under any basket or ratio under the Indenture, in each case in connection with a Limited Condition Transaction, the date of determination of such basket or ratio and of any Default or Event of Default shall, at the option of the Issuer, be the date the definitive agreements for such Limited Condition Transaction are entered into and such baskets or ratios shall be calculated on a *pro forma* basis after giving effect to such Limited Condition Transaction and the other transactions to be entered into in connection therewith (including any Incurrence of Debt and the use of proceeds thereof) as if they occurred at the beginning of the applicable reference period for purposes of determining the ability to consummate any such Limited Condition Transaction (and not for purposes of any subsequent availability of any basket or ratio).

For the avoidance of doubt, (x) if any of such baskets or ratios are exceeded as a result of fluctuations in such basket or ratio (including due to fluctuations in Total Assets, Consolidated EBITDA or Consolidated Fixed Charges of the Issuer or the target company) subsequent to such date of determination and at or prior to the consummation of the relevant Limited Condition Transaction, such baskets or ratios will not be deemed to have been exceeded as a result of such fluctuations solely for purposes of determining whether the Limited Condition Transaction and the related transactions are permitted hereunder and (y) such baskets or ratios shall not be tested at the time of consummation of such Limited Condition Transaction or related transactions; *provided, further*, that if the Issuer elects to have such determinations occur at the time of entry into such definitive agreement, any such transactions (including any Incurrence of Debt and the use of proceeds thereof) shall be deemed to have occurred on the date the definitive agreements are entered into and outstanding thereafter for purposes of calculating any baskets or ratios under the Indenture after the date of such agreement and before the consummation of such Limited Condition Transaction.

Events of Default

Each of the following will be an "**Event of Default**" under the Indenture:

(a) default for 30 days in the payment when due of any interest or any Additional Amounts on any Note;

(b) default in the payment of the principal of or premium, if any, on any Note at its Maturity (upon acceleration, optional or mandatory redemption, if any, required repurchase or otherwise);

(c) failure by the Issuer to comply with the provisions of "*—Certain Covenants—Merger, Consolidation or Sale of Assets*;"

(d) failure to comply with any covenant or agreement of the Issuer or of any Restricted Subsidiary that is contained in the Indenture (other than specified in clauses (a), (b) or (c) (solely as it relates to the Issuer) above) and such failure continues for a period of 60 days after written notice given by the Trustee or the Holders of at least 30% in principal amount of the outstanding Notes;

(e) default under the terms of any instrument evidencing or securing the Debt for borrowed money (other than any such Debt owed to the Issuer or any Restricted Subsidiary) of the Issuer or any Restricted Subsidiary, if that default:

   (i) results in the acceleration of the payment of such Debt; or

   (ii) is caused by the failure to pay such Debt at final maturity thereof after giving effect to the expiration of any applicable grace periods (and other than by regularly scheduled required prepayment) and such failure to make any payment has not been waived or the maturity of such Debt has not been extended (a "**Payment Default**"), and, in each case, the principal amount of any such Debt, together with the principal amount of any other such Debt under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates to €40.0 million or more;

(f) the Guarantee by any Guarantor that is a Significant Subsidiary ceases to be, or shall be asserted in writing by any Guarantor that is a Significant Subsidiary, or any Person acting on behalf of any Guarantor that is a Significant Subsidiary, not to be in full force and effect or enforceable in accordance with its terms (other than as provided for in the Indenture or the Guarantee), if such Default continues for 10 days;

(g) one or more final judgments, orders or decrees (not subject to appeal and not covered by insurance) shall have been rendered against the Issuer or any Restricted Subsidiary for the payment of money either individually or in an aggregate amount, in each case in excess of €40.0 million (after deducting any insurance or indemnity or contribution amounts actually recovered by the Issuer or a Restricted Subsidiary within 60 days of such judgment, order or decree), and either a creditor shall have commenced an enforcement proceeding upon such judgment, order or decree or there shall have been a period of 60 consecutive days or more during which a stay of enforcement of such judgment, order or decree was not (by reason of pending appeal or otherwise) in effect; and

(h) the occurrence of certain events of bankruptcy, insolvency, receivership, schemes of arrangement (where any creditors are materially impaired) or reorganization with respect to the Issuer, any Significant Subsidiary, or of other Restricted Subsidiaries of the Issuer that are not Significant Subsidiaries but would, in the aggregate, when taken together (as of the end of the most recently completed fiscal period) constitute a Significant Subsidiary if considered as a single Person.

However, a Default under clauses (d), (e) or (g) above will not constitute an Event of Default until the Trustee or the Holders of 30% in principal amount of the outstanding Notes under the Indenture notify the Issuer of the Default and, with respect to clauses (d) and (g) the Issuer does not cure such default within the time specified in clauses (d) or (g) above, as applicable, after receipt of such notice.

If an Event of Default (other than as specified in clause (h) above) occurs and is continuing, the Trustee or the Holders of not less than 30% in aggregate principal amount of the Notes then outstanding by written notice to the Issuer (and to the Trustee if such notice is given by the Holders) may, and the Trustee, upon the written request of such Holders, shall, declare the principal of, premium, if any, any Additional Amounts and accrued interest on all of the outstanding Notes immediately due and payable, and upon any such declaration all such amounts payable in respect of the Notes will become immediately due and payable. The Trustee shall not be deemed to have notice of any Default or Event of Default unless a written notice of any event which is in fact such a default is received by a Responsible Officer of the Trustee at the Corporate Trust Office of the Trustee, and such notice references the Notes and the Indenture.

If an Event of Default specified in clause (h) above occurs and is continuing, then the principal of, premium, if any, Additional Amounts and accrued and unpaid interest on all of the outstanding Notes shall become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holder of Notes.

In the event of a declaration of acceleration of the Notes because an Event of Default described in clause (e) under "*Events of Default*" has occurred and is continuing, the declaration of acceleration of the Notes shall be automatically annulled if the event of default or payment default triggering such Event of Default pursuant to clause (e) shall be remedied or cured, or waived by the holders of the Debt, or the Debt that gave rise to such Event of Default shall have been discharged in full, within 30 days after the declaration of acceleration with respect thereto and if (1) the annulment of the acceleration of the Notes would not conflict with any judgment or decree of a court of competent jurisdiction and (2) all existing Events of Default, except non-payment of principal, premium or interest on the Notes that became due solely because of the acceleration of the Notes, have been cured or waived.

The Holders of not less than a majority in aggregate principal amount of the outstanding Notes may, on behalf of the Holders of all of the Notes, waive any past defaults under the Indenture (except a default in the payment of the principal of, premium, if any, and Additional Amounts or interest on any Note in which case, the consent of the Holders of 90% of the then outstanding Notes shall be required) and rescind any such acceleration with respect to such Notes and its consequences if such rescission would not conflict with any judgment or decree of a court of competent jurisdiction, and *provided* that the fees and expenses of the Trustee have been paid.

No Holder of any of the Notes has any right to institute any proceedings with respect to the Indenture or any remedy thereunder unless the Holders of at least 30% in aggregate principal amount of the outstanding Notes have made a written request and offered an indemnity and/or security (including by way of prefunding) satisfactory to the Trustee to institute such proceedings as Trustee under the Notes and the Indenture, the Trustee has failed to institute such proceeding within 60 days after receipt of such written notice and receipt of indemnity and/or security (including by way of prefunding) satisfactory to it and the Trustee within such 60-day period has not received directions inconsistent with such written request by Holders of a majority in aggregate principal amount of the outstanding Notes. Such limitations do not, however, apply to a suit instituted by a Holder of a Note for the enforcement of the payment of the principal of, premium, if any, and Additional Amounts or interest on such Note on or after the respective due dates expressed in such Note.

If an Event of Default occurs and is continuing and written notice from the Issuer is given to a responsible officer of the Trustee in accordance with the notice provisions of the Indenture, the Trustee will deliver to each Holder of the Notes notice of the Event of Default within 60 Business Days after its occurrence. Except in the case of an Event of Default in the payment of principal of, premium, if any, Additional Amounts or interest on any Notes, the Trustee may withhold the giving of such notice to the Holders of such Notes if it determines in good faith that withholding the giving of such notice is in the best interests of the Holders of the Notes.

The Indenture will provide that (1) if a Default occurs for a failure to deliver a required certificate in connection with another default (an "**Initial Default**") then at the time such Initial Default is cured, such Default for a failure to report or deliver a required certificate in connection with the Initial Default will also be cured without any further action and (2) any Default or Event of Default for the failure to comply with the time periods prescribed in the covenant entitled "*—Certain Covenants—Reports*" or otherwise to deliver any notice or certificate pursuant to any other provision of the Indenture shall be deemed to be cured upon the delivery of (prior to acceleration in respect to the relevant breach) any such report required by such covenant or notice or certificate, as applicable, even though such delivery is not within the prescribed period specified in the Indenture.

The Trustee may assume without inquiry, in the absence of actual knowledge or written notice, that the Issuer is duly complying with its obligations contained in the Indenture required to be observed and performed by it, and that no Default or Event of Default or other event that would require repayment of the Notes has occurred.

The Trustee is under no obligation to exercise any of the rights or powers vested in it by the Indenture at the request or direction of any of the Holders of the Notes unless such Holders provide to the Trustee indemnity and/or security (including by way of prefunding) satisfactory to the Trustee against the costs, expenses and liabilities which might be incurred thereby. It may not be possible for the Trustee to take certain actions in relation to the Notes and, accordingly, in such circumstances the Trustee will be unable to take action, notwithstanding the provision of an indemnity to it, and it will be for the Holders to take action directly.

Defeasance

The Indenture will provide that the Issuer may, at its option and at any time prior to the Stated Maturity of the Notes, elect to have the obligations of the Issuer and any Guarantor discharged with respect to the outstanding Notes ("**Legal Defeasance**"). Legal Defeasance means that the Issuer will be deemed to have paid and discharged the entire Debt represented by the outstanding Notes except as to:

(a) the rights of Holders of outstanding Notes to receive payments in respect of the principal of, premium, if any, Additional Amounts and interest on such Notes when such payments are due from the trust referred to below;

(b) the Issuer's obligations to issue temporary Notes, register, transfer or exchange any Notes, replace mutilated, destroyed, lost or stolen Notes, maintain an office or agency for payments in respect of the Notes and segregate and hold such payments on trust;

(c) the rights, powers, trusts, duties and immunities of the Trustee and the obligations of the Issuer and any Guarantor in connection therewith; and

(d) the Legal Defeasance provisions of the Indenture.

If the Issuer exercises its legal defeasance option, payment of the Notes may not be accelerated because of an Event of Default other than an Event of Default under clauses (a) or (b) of the definition thereof.

In addition, the Issuer may, at its option and at any time, elect to have the obligations of the Issuer and any Guarantor released with respect to certain covenants set forth in the Indenture ("**Covenant Defeasance**") and thereafter any failure to comply with such covenants will not constitute a Default or an Event of Default with respect to the Notes. In the event that a Covenant Defeasance occurs, certain events described under "*—Events of Default*" will no longer constitute an Event of Default with respect to the Notes. These events will not include events relating to non-payment, bankruptcy, insolvency, receivership and reorganization. The Issuer may exercise its Legal Defeasance option regardless of whether it has previously exercised any Covenant Defeasance.

In order to exercise either Legal Defeasance or Covenant Defeasance:

(a) the Issuer must irrevocably deposit or cause to be deposited on trust with the Trustee, or such other entity as may be designated for this purpose, for the benefit of the Holders of the Notes, cash in euros, European Government Obligations or a combination thereof, in such amounts as will be sufficient, in the opinion of an internationally recognized firm of independent public accountants, to pay and discharge the principal of, premium, if any, Additional Amounts and interest, on the outstanding Notes on the Stated Maturity or on the applicable redemption date, as the case may be, and the Issuer must:

    (i) specify whether the Notes are being defeased to maturity or to a particular redemption date; and

    (ii) if applicable, have delivered to the Trustee an irrevocable notice to redeem all of the outstanding Notes;

(b) in the case of Legal Defeasance, the Issuer must have delivered to the Trustee an opinion of counsel reasonably acceptable to the Trustee stating that: (i) the Issuer has received from, or there has been published by, the U. S. Internal Revenue Service a ruling; or (ii) since the Issue Date, there has been a change in applicable U. S. federal income tax law, in either case to the effect that (and based thereon such opinion shall confirm that) the beneficial owners of the outstanding Notes will not recognize income, gain or loss for U. S. federal income tax purposes as a result of such Legal Defeasance and will be subject to U. S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(c) in the case of Covenant Defeasance, the Issuer must deliver to the Trustee an opinion of counsel reasonably acceptable to the Trustee confirming that the beneficial owners of the outstanding Notes will not recognize income, gain or loss for U. S. federal income tax purposes as a result of such Covenant Defeasance and will be subject to U. S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(d) no Default or Event of Default will have occurred and be continuing: (i) on the date of such deposit (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit); or (ii) insofar as bankruptcy or insolvency events described in clause (h) of "*—Events of Default*" above are concerned, at any time during the period ending on the 123rd day after the date of such deposit;

(e) such Legal Defeasance or Covenant Defeasance will not result in a breach or violation of, or constitute a Default under (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit), the Indenture or any material agreement or instrument to which the Issuer or any Restricted Subsidiary is a party or by which the Issuer or any Restricted Subsidiary is bound;

(f) the Issuer must have delivered to the Trustee an opinion of counsel (subject to customary assumptions, exceptions, reservations and qualifications, in each case including as to enforceability) in the country of the Issuer's incorporation to the effect that after the 123rd day following the deposit, the trust funds will not be subject to the effect of any applicable bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally and an opinion of counsel (subject to customary assumptions, exceptions, reservations and qualifications, in each case including as to enforceability) reasonably acceptable to the Trustee that the Trustee shall have a perfected security interest in such trust funds for the ratable benefit of the Holders of the Notes;

(g) the Issuer must have delivered to the Trustee an Officer's Certificate stating that the deposit was not made by the Issuer with the intent of preferring the Holders of the Notes over the other creditors of the Issuer with the intent of defeating, hindering, delaying or defrauding creditors of the Issuer or other creditors, or removing assets beyond the reach of the relevant creditors or increasing debts of the Issuer to the detriment of the relevant creditors;

(h) no event or condition exists that would prevent the Issuer from making payments of the principal of, premium, if any, Additional Amounts and interest on the Notes on the date of such deposit or at any time ending on the 123rd day after the date of such deposit; and

(i) the Issuer must have delivered to the Trustee an Officer's Certificate and an opinion of counsel in forms satisfactory to the Trustee, each stating that all conditions precedent provided for relating to the Legal Defeasance or the Covenant Defeasance, as the case may be, have been complied with.

If the funds deposited with the Trustee or such other entity to effect Covenant Defeasance are insufficient to pay the principal of, premium, if any, Additional Amounts and interest on the Notes when due because of any acceleration occurring after an Event of Default, then the Issuer and any Guarantor will remain liable for such payments.

Satisfaction and Discharge

The Indenture will be discharged and will cease to be of further effect (except as to surviving rights of registration of transfer or exchange of the Notes as expressly provided for in the Indenture) when:

(a) the Issuer has irrevocably deposited or caused to be deposited with the Trustee (or such other entity as is designated for this purpose) as funds on trust for such purpose an amount in euros or European Government Obligations sufficient to pay and discharge the entire Debt on such Notes that have not, prior to such time, been delivered to the Trustee for cancellation, for principal of, premium, if any, and any Additional Amounts and accrued and unpaid interest on the Notes to the date of such deposit (in the case of Notes which have become due and payable) or to the Stated Maturity or redemption date, as the case may be, and the Issuer has delivered irrevocable instructions to the Trustee under the Indenture to apply the deposited money toward the payment of Notes at Stated Maturity or on the redemption date, as the case may be and either:

(i) all of the Notes that have been authenticated and delivered (other than destroyed, lost or stolen Notes that have been replaced or paid and Notes for which payment money has been deposited on trust or segregated and held on trust by the Issuer and thereafter repaid to the Issuer or discharged from such trust as provided for in the Indenture) have been delivered to the Paying Agent for cancellation; or

(ii) all Notes that have not been delivered to the Paying Agent for cancellation: (x) have become due and payable (by reason of the mailing, or delivery to the clearing systems in the case of a Global Note, of a notice of redemption or otherwise); (y) will become due and payable within one year of Stated Maturity; or (z) are to be called for redemption within one year of the proposed discharge date under arrangements reasonably satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the Issuer's name and at the Issuer's expense;

(b) the Issuer has paid or caused to be paid all other sums payable by the Issuer under the Indenture; *provided* that if requested by the Issuer in writing to the Trustee and the Paying Agent (which request may be included in the applicable notice of redemption or pursuant to an Officer's Certificate) no later than five (5) Business Days prior to such distribution, the Trustee or the Paying Agent shall distribute any amounts deposited prior to maturity or the redemption date, as the case may be; *provided, further*, that in such case, the payment to each Holder will equal the amount such Holder would have been entitled to receive at maturity or on the relevant redemption date, as the case may be, and, for the avoidance of doubt, the distribution and payment to Holders prior to the maturity or relevant redemption date as set forth above will not include any negative interest, present value adjustment, break cost or any other premium on such amounts. To the extent the Notes are represented by a Global Note deposited with a depositary for a clearing system, any payment to the beneficial holders holding Book-Entry Interests as participants of such clearing system will be subject to the then applicable procedures of the clearing system;

(c) the Issuer has delivered irrevocable instructions to the Trustee to apply the deposited money toward the payment of the Notes at maturity, on the redemption date or such earlier date as instructed by the Issuer in accordance with clause (b) above, as the case may be; and

(d) the Issuer has delivered to the Trustee (i) an Officer's Certificate and (ii) an opinion of counsel (subject to customary assumptions, exceptions, reservations and qualifications, in each case including as to enforceability), each stating that all conditions precedent provided in the Indenture relating to the satisfaction and discharge of the Indenture have been satisfied.

The Trustee shall be entitled to rely conclusively on such Officer's Certificate and opinion of counsel in forms satisfactory to the Trustee without independent verification, *provided* that any such counsel may rely on an Officer's Certificate as to matters of fact (including as to compliance with the foregoing clauses (a), (b), (c) and (d)(i)).

Amendments and Waivers

With the consent of the Holders of not less than a majority in aggregate principal amount of the Notes then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, such Notes), the Issuer, the Guarantors and the Trustee are permitted to amend or supplement the Indenture (including the Guarantees) or the Notes or waive any default or compliance with any provisions thereof (unless a modification or amendment will only affect one series of the Notes, in which case only the consent of the Holders of at least a majority in aggregate principal amount of the Notes then outstanding in such series shall be required); *provided* that no such modification, amendment or waiver may, without the consent of Holders holding not less than 90% of the then outstanding principal amount of the Notes then outstanding (or, if a modification or amendment will only affect one series of the Notes, the consent of the Holders of at least 90% of the aggregate principal amount of the Notes then outstanding in such series):

(a) extend the Stated Maturity of the principal of, or any instalment of or Additional Amounts or interest on, any Note (or change any Default or Event of Default under clause (a) of the definition thereof related thereto);

(b) reduce the principal amount of any Note (or Additional Amounts or premium, if any) or the rate of or extend the stated time for payment of interest on any Note (or change any Default or Event of Default under clause (b) of the definition thereof related thereto);

(c) reduce the premium payable upon the redemption of any such Note or change the time at which any such Note may be redeemed, in each case as described above under "—*Optional Redemption*;"

(d) change the coin or currency in which the principal of any Note or any premium or any Additional Amounts or the interest thereon is payable on or after the due dates thereof;

(e) impair the right to institute suit for the enforcement of any payment of any Note in accordance with the provisions of such Note and the Indenture;

(f) make any change to the amendment or waiver provisions which require the Holders' consent described in this sentence; and

(g) release any Guarantee, other than in compliance with the guarantor release provisions of the Indenture.

Notwithstanding the foregoing, without the consent of any Holder of the Notes, the Issuer, the Guarantors and the Trustee may modify, amend or supplement the Indenture (including the Guarantees) or the Notes, as applicable, to:

(a) evidence the succession of another Person to the Issuer or a Guarantor and the assumption by any such successor of the covenants in the Indenture, the Notes or any Guarantee, as applicable, in accordance with "*—Certain Covenants—Merger, Consolidation or Sale of Assets*" or Permitted Reorganization;

(b) add to the Issuer's covenants or those of any Guarantor or any other obligor in respect of the Notes for the benefit of the Holders of the Notes or to surrender any right or power conferred upon the Issuer or any Guarantor or any other obligor in respect of the Notes, as applicable, in the Indenture, the Notes or any Guarantee;

(c) cure any ambiguity, omission, defect error or inconsistency;

(d) conform the text of the Indenture, the Notes or any Guarantee to any provision of this "*Description of the Notes*" to the extent that such provision in this "*Description of the Notes*" was intended to be a verbatim or substantially verbatim recitation of a provision of the Indenture, the Notes or such Guarantee;

(e) release any Guarantor in accordance with (and if permitted by) the terms of the Indenture;

(f) provide for any Restricted Subsidiary to provide a Guarantee in accordance with the covenant described under "*—Certain Covenants—Limitation on Debt*" or "*—Certain Covenants—Limitation on Guarantees of Debt*," to add Guarantees, to add security to or for the benefit of the Notes, or to confirm and evidence the release, termination, discharge or retaking of any Guarantee or Lien or any amendment in respect thereof with respect to or securing the Notes when such release, termination, discharge or retaking or amendment is not prohibited by the Indenture;

(g) evidence and provide the acceptance of the appointment of a successor Trustee under the Indenture;

(h) make any change that would provide additional rights of or benefits to the Trustee or the Holders or that does not adversely affect the rights of or benefits to the Trustee or any of the Holders in any material respect under the Indenture, the Notes or any Guarantee (as determined by the Issuer in good faith in respect of Holders); and

(i) provide for the issuance of Additional Notes in accordance with and if permitted by the terms of and limitations set forth in the Indenture.

The Trustee shall be entitled to receive and rely absolutely on an Officer's Certificate and an opinion of counsel in forms satisfactory to the Trustee as to the permissibility of any such amendment, supplement or waiver.

The consent of the Holders is not necessary under the Indenture to approve the particular form of any proposed amendment to the Indenture, the Notes or any Guarantee. It is sufficient if such consent approves the substance of the proposed amendment. A consent to any amendment or waiver under the Indenture by any Holder of the Notes given in connection with a tender of such Holder's Notes will not be rendered invalid by such tender.

Currency Indemnity

The euro is the sole currency of account and payment for all sums payable under the Notes, any Guarantee and the Indenture. Any amount received or recovered in respect of the Notes or any Guarantee in a currency other than euro (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding up or dissolution of the Issuer, any Subsidiary or otherwise) by the Trustee and/or a Holder of the Notes in respect of any sum expressed to be due to such Holder from the Issuer or the Guarantors will constitute a discharge of their obligation only to the extent of the euro amount which the recipient is able to purchase with the amount so received or recovered in such other currency on the date of that receipt or recovery (or, if it is not possible to purchase euro on that date, on the first date on which it is possible to do so). If the euro amount that could be recovered following such a purchase is less than the euro amount expressed to be due to the recipient under any Note, the Issuer and the Guarantors will jointly and severally indemnify the recipient against the cost of the recipient's making a further purchase of euro in an amount equal to such difference. For the purposes of this paragraph, it will be sufficient for the Trustee and/or Holder to certify that it would have suffered a loss had the actual purchase of euro been made with the amount so received in that other currency on the date of receipt or recovery (or, if a purchase of euro on that date had not been possible, on the first date on which it would have been possible). These indemnities, to the extent permitted by law:

(a) constitute a separate and independent obligation from the Issuer's and the Guarantors' other obligations;

(b) give rise to a separate and independent cause of action;

(c) apply irrespective of any waiver granted by any Holder of a Note; and

(d) will continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note or any other judgment or order.

Notices

For so long as any Notes are represented by Global Notes, all notices to Holders will be delivered by or on behalf of the Issuer in accordance with the rules and procedures of Euroclear or Clearstream, as applicable.

Each such notice shall be deemed to have been given on the date of publication or, if published more than once on different dates, on the first date on which publication is made. Any notice or communication mailed to a Holder shall be mailed to such Person by first-class mail or other equivalent means and shall be sufficiently given to such Holder if so mailed within the time prescribed. Failure to mail a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders. If a notice or communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it. Notices given by mail will be deemed given five calendar days after mailing.

No Personal Liability of Directors, Officers, Employees and Stockholders

No director, officer, employee, incorporator or stockholder of the Issuer or any Guarantor, as such, will have any liability for any obligations of the Issuer or any Guarantor under the Notes, the Indenture, any Guarantee or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of Notes by accepting a Note will waive and release all such liability. The waiver and release will be part of the consideration for issuance of the Notes. The waiver may not be effective to waive liabilities under U. S. federal securities laws.

The Trustee

U.S. Bank Trustees Limited is to be appointed as Trustee under the Indenture. The Indenture will provide that, except during the continuance of an Event of Default of which written notice from the Issuer is given to a responsible officer of the Trustee in accordance with the notice provisions of the Indenture, the Trustee will perform only such duties as are set forth specifically in the Indenture. During the existence of an Event of Default, of which written notice from the Issuer is given to a responsible officer of Trustee in accordance with the notice provisions of the Indenture, the Trustee will exercise such of the rights and powers vested in it under the Indenture and use the same degree of care that a prudent Person would use in conducting its own affairs. The permissive rights of the Trustee to take or refrain from taking any action enumerated in the Indenture will not be construed as an obligation or duty. The Trustee, the Paying Agent, the Registrar and the Transfer Agent will be permitted to engage in other transactions with the Issuer and its Affiliates and Subsidiaries.

The Indenture will contain provisions for the indemnification or security of the Trustee for any loss, liability, certain taxes and expenses incurred without gross negligence, willful misconduct or fraud on its part, arising out of or in connection with the acceptance or administration of the Indenture.

The Indenture contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured (including by way of prefunding) to its satisfaction.

Governing Law

The Indenture, the Notes and the Guarantees will be governed by and construed in accordance with the laws of the State of New York.

In accordance with New York law, claims for interest payments under the notes and claims for the repayment or redemption of notes shall become time barred after a period of six (6) years, calculated from their respective due dates, after such time the unclaimed funds will return to the Issuer.

Certain Definitions

"**Acquired Debt**" means Debt of a Person:

(a) existing at the time such Person becomes a Restricted Subsidiary or is merged into or consolidated with the Issuer or any Restricted Subsidiary; or

(b) assumed in connection with the acquisition of assets from any such Person,

provided that, in each case, such Debt was not Incurred in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary or such acquisition, as the case may be.

Acquired Debt shall be deemed to be Incurred on the date the acquired Person becomes a Restricted Subsidiary (or is merged into or consolidated with the Issuer or any Restricted Subsidiary, as the case may be) or the date of the related acquisition of assets from any Person.

"**Affiliate**" means, with respect to any specified Person any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person.

For the purposes of this definition, "control," when used with respect to any specified Person, means the power to direct or cause the direction of the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling," "controlled" have meanings correlative to the foregoing.

"**Agent**" means the Paying Agent, the Registrar and the Transfer Agent.

"**Agreed Guarantee Principles**" means the agreed guarantee principles, as in effect on the Issue Date (and included as an exhibit to the Indenture), as applied *mutatis mutandis* with respect to the Notes in good faith by the Issuer.

"**Applicable Redemption Premium**" means, with respect to any Note on any redemption date, the greater of:

(a) 1.0% of the principal amount of the Note; and

(b) the excess of:

  (i) the present value at such redemption date of: (x) the redemption price of such Note at July 15, 2023 (such redemption price being set forth in the table appearing below the caption "*Optional Redemption—Optional Redemption on or after July 15, 2023*") plus (y) all required interest payments that would otherwise be due to be paid on such Note during the period between the redemption date and July 15, 2023 (excluding accrued but unpaid interest), computed using a discount rate equal to the Bund Rate at such redemption date plus 50 basis points; over

  (ii) the outstanding principal amount of the Note.

For the avoidance of doubt, calculation of the Applicable Redemption Premium shall be made by or on behalf of the Issuer and shall not be a duty or obligation of the Trustee or any Agent.

"**Asset Sale**" means any sale, issuance, conveyance, transfer, lease (other than operating leases) or other disposition (including, without limitation, by way of merger, consolidation, amalgamation or other combination or sale and leaseback transaction) (collectively, a "**transfer**"), directly or indirectly, in one or a series of related transactions, of:

(a) any Capital Stock of any Subsidiary (other than directors' qualifying shares or shares required by applicable law to be held by a Person other than the Issuer or a Subsidiary); or

(b) any of the Issuer's or any Restricted Subsidiary's properties or assets.

Notwithstanding the preceding, none of the following items will be deemed to be an Asset Sale:

(i) any single transaction or series of related transactions that involves assets or Capital Stock having a Fair Market Value of less than the greater of €20.0 million and 0.6% of Total Assets;

(ii) any transfer or disposition of assets (including Capital Stock of any Subsidiary) by the Issuer to any Restricted Subsidiary, or by any Restricted Subsidiary to the Issuer or any Restricted Subsidiary;

(iii) any transfer or disposition of obsolete, damaged, surplus, worn out or permanently retired equipment or facilities or other assets that are no longer useful in the conduct of the Issuer's and any Restricted Subsidiary's business;

(iv) sales, discounts or dispositions of receivables (a) on commercially reasonable terms in the ordinary course of business, (b) in any factoring or supply chain financing transaction or similar transaction in the ordinary course of business or (c) in connection with any Qualified Receivables Financing or Permitted Recourse Receivables Financing;

(v) any transfer or disposition of assets that is governed by the provisions of the Indenture described under "*—Certain Covenants—Merger, Consolidation or Sale of Assets*" or "*—Certain Covenants—Change of Control*;"

(vi) any "fee in lieu" or other disposition of assets to any governmental authority or agency that continue in use by the Issuer or any Restricted Subsidiary, so long as the Issuer or any Restricted Subsidiary may obtain title to such assets upon reasonable notice by paying a nominal fee;

(vii) transfers of Capital Stock in a Restricted Subsidiary to a Person making contributions to such Restricted Subsidiary to fund its capital expenditure, to the extent the Issuer determines in good faith appropriate to reflect the level of such contribution compared to the contribution, if any, made by the Issuer or any Restricted Subsidiary;

(viii) the sale, lease, sublease, assignment or other disposition of any real or personal property or any equipment, inventory, trading stock or other assets in the ordinary course of business, including, without limitation, pursuant to agreements entered into in the ordinary course of business;

(ix) (a) an issuance or transfer of Capital Stock by a Restricted Subsidiary (i) to the Issuer or to another Restricted Subsidiary or (ii) as part of, or pursuant to, an equity incentive or compensation plan approved by the Board of Directors of the Issuer or (b) the issuance of directors' qualifying shares and shares issued to individuals as required by applicable law;

(x) any issuance, sale or disposition of Capital Stock, Debt or other securities of an Unrestricted Subsidiary;

(xi) any making of a Restricted Payment that does not violate the covenant described above under "*—Certain Covenants—Limitation on Restricted Payments*" and the making of any Permitted Investment, or, solely for purposes of paragraphs (1)(b) and (2) under "*—Certain Covenants—Limitation on Asset Sales*," asset sales, in respect of which (but only to the extent that) the proceeds are used to make such Restricted Payments or Permitted Investments;

(xii) any transfer, termination, unwinding or other disposition of Hedging Agreements in the ordinary course of business and not for speculative purposes;

(xiii) sales of assets received by the Issuer or any Restricted Subsidiary upon the foreclosure on a Lien granted in favor of the Issuer or any Restricted Subsidiary or any other transfer of title with respect to any secured investment in default;

(xiv) any disposition in connection with a Permitted Lien;

(xv) the licensing, sub-licensing, lease, sublease, conveyance or assignment of intellectual property or other general intangibles and licenses, sub-licenses, leases, subleases, conveyances or assignments of other property, in each case, in the ordinary course of business or consistent with past practice;

(xvi) the abandonment or disposition of patents, trademarks or other intellectual property that are, in the good faith opinion of the Issuer, no longer economically practicable to maintain or useful in the conduct of the business of the Issuer and its Subsidiaries taken as a whole;

(xvii) any disposition arising from foreclosure, condemnation or any similar action with respect to any property or other assets;

(xviii) the surrender or waiver of contract rights or the settlement, release or surrender of contract, tort or other claims of any kind;

(xix) any disposition with respect to property, whether tangible or intangible, built by or on behalf of, or owned or otherwise acquired by, the Issuer or any Restricted Subsidiary (a) pursuant to a customary sale and leaseback transaction, asset securitizations and other similar financings permitted by the Indenture or (b) on behalf of, or for the benefit of, a customer, or with the intention to transfer such property to a customer, in connection with a transaction or series of transactions under which the Issuer or any Restricted Subsidiary earns a fee for, or derives a benefit from, participating in such transaction or series of transactions;

(xx) a disposition of cash or Cash Equivalents;

(xxi) sales, transfers or other disposition of Investments in joint ventures to the extent required by, or made pursuant to, customary buy/sell arrangements between the joint venture parties set forth in joint venture arrangements and similar binding agreements; *provided* that any cash or Cash Equivalents received in such sale, transfer or disposition is applied in accordance with the "*—Certain Covenants—Limitation on Asset Sales*" covenant;

(xxii) any sale or other disposition made pursuant to, or as a result of, a final judgment or court order related to a liquidation or unpaid claim;

(xxiii) any disposition in connection with a Tax Sharing Agreement;

(xxiv) discount or disposition of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements;

(xxv) any disposition of assets to any governmental authority or agency pursuant to state asset acquisition laws, regulations or rules;

(xxvi) any disposition of assets to a Person who is providing services related to such assets, the provision of which have been or are to be outsourced by the Issuer or any Restricted Subsidiary to such Person; *provided, however*, that the Issuer shall certify that in its opinion, that the transaction will be economically beneficial to the Issuer and its Restricted Subsidiaries; or

(xxvii) any issuance, transfer or other disposition of Capital Stock of a Restricted Subsidiary pursuant to an agreement or other obligation with or to a Person (other than the Issuer or a Restricted Subsidiary) from whom a Restricted Subsidiary was acquired, or from whom a Restricted Subsidiary acquired its business and assets, made as part of such acquisition and in each case comprising all or a portion of the consideration in respect of such sale or acquisition.

"**Bank Products**" means any facilities or services related to treasury and/or Cash Management Services, cash pooling, treasury, payment lines, processing, returned check concentration, electronic funds transfer, daylight exposures, open credits, contingent obligation lines, letters of credit, clearing of and the collection of cheques, deposits and direct debits, account reconciliation and reporting, cash, or other cash management and cash pooling arrangements.

"**Board of Directors**" means:

(a) with respect to any corporation, the board of directors or managers of the corporation (which, in the case of any corporation having both a supervisory board and an executive or management board, shall be the executive or management board) or any duly authorized committee thereof;

(b) with respect to any partnership, the board of directors of the general partner of the partnership or any duly authorized committee thereof;

(c) with respect to a limited liability company, the managing member or members (or analogous governing body) or any controlling committee of managing members thereof; and

(d) with respect to any other Person, the board or any duly authorized committee thereof or committee of such Person serving a similar function.

"**Bund Rate**" as selected by the Issuer, means the yield to maturity at the time of computation of direct obligations of the Federal Republic of Germany (Bunds or *Bundesanleihen*) with a constant maturity as officially compiled and published in the most recent financial statistics that have become publicly available at least two Business Days (but not more than five Business Days) prior to the repayment date (or, if such financial statistics are not so published or available, any publicly available source of similar market data selected in good faith by the Issuer) most nearly equal to the period from the repayment date to July 15, 2023; *provided, however*, that if the period from the repayment date to July 15, 2023 is not equal to the constant maturity of a direct obligation of the Federal Republic of Germany for which a weekly average yield is given, the Bund Rate shall be obtained by linear interpolation (calculated to the nearest one twelfth of a year) from the weekly average yields of direct obligations of the Federal Republic of Germany for which such yields are given, except that if the period from such repayment date to July 15, 2023 is less than one year, the weekly average yield on actually traded direct obligations of the Federal Republic of Germany adjusted to a constant maturity of one year shall be used and provided that "Bund Rate" shall be at least 0.00%.

"**Business Day**" means a day other than a Saturday, Sunday or other day on which banking institutions in Paris, France, London, the United Kingdom, New York, the United States or a place of payment under the Indenture are authorized or required by law to close and other than a day which is not a TARGET Settlement Day.

"**Capital Stock**" means, with respect to any Person, any and all shares, interests, partnership interests (whether general or limited), participations, rights in or other equivalents (however designated) of such Person's equity, any other interest or participation that confers the right to receive a share of the profits and losses, or distributions of assets of, such Person and any rights (other than debt securities convertible into or exchangeable for Capital Stock), warrants or options exchangeable for, or convertible into, such Capital Stock, whether now outstanding or issued after the Issue Date.

"**Capitalized Lease Obligation**" means, with respect to any Person, any obligation of such Person under a lease of (or other agreement conveying the right to use) any property (whether real, personal or mixed), which obligation is required to be capitalized and reflected as a liability on a balance sheet (excluding footnotes thereto) prepared under IFRS and the Stated Maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date such lease may be terminated without penalty.

"**Cash Equivalents**" means any of the following:

(a) direct obligations (or certificates representing an interest in such obligations) issued by, or unconditionally guaranteed by, the European Commission, the government of a member state of the European Union, the United States of America, Switzerland, Norway or Canada (including, in each case, any agency or instrumentality thereof), as the case may be, the payment of which is backed by the full faith and credit of the relevant member state of the European Union or the United States of America, Switzerland, Norway or Canada, as the case may be, and which are not callable or redeemable at the Issuer's or any Restricted Subsidiary's option;

(b) overnight bank deposits, time deposit accounts, certificates of deposit, banker's acceptances and money market deposits (and similar instruments) with maturities of twelve months or less from the date of acquisition issued by a bank or trust company which is organized under, or authorized to operate as a bank or trust company under, the laws of a member state of the European Union or of the United States of America or any state thereof, Switzerland, Norway or Canada; *provided* that such bank or trust company has capital, surplus and undivided profits aggregating in excess of €250.0 million (or the foreign currency equivalent thereof as of the date of such investment) and whose long-term debt is rated "Baa3" or higher by Moody's or "BBB-" or higher by S&P or the equivalent rating category of another internationally recognized rating agency;

(c) commercial paper having one of the two highest ratings obtainable from Moody's or S&P and, in each case, maturing within one year after the date of acquisition;

(d) repurchase obligations with a term of not more than thirty days for underlying securities of the type described in clause (a) or (b) above, entered into with any financial institution meeting the qualifications described in clause (b) above;

(e) interests in any investment company or money market fund at least 95% of the assets of which constitute Cash Equivalents of the kinds described in clauses (a) through (d) above; and

(f) instruments equivalent to those referred to in paragraphs (a) to (e) (inclusive) above denominated in euro, U.S. dollars or sterling or any other currency comparable in credit quality and tenor to those referred to above and customarily used by corporations for cash management purposes in any jurisdiction to the extent reasonable required in connection with (i) any business conducted by any Restricted Subsidiary of the Issuer incorporated in such jurisdiction or (ii) any investment in the jurisdiction where such investment is made.

"**Cash Management Services**" means any of the following: automated clearing house transactions, treasury, depository, credit or debit card, purchasing card, stored value card, electronic fund transfer services, daylight or overnight draft facilities and/or cash management services, including controlled disbursement services, overdraft facilities, foreign exchange facilities, deposit and other accounts and merchant services or other cash management arrangements.

"**Change of Control**" means the occurrence of any of the following events:

(a) the Issuer becomes aware of any "person" or "group" of related persons (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act as in effect on the Issue Date) becoming the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act as in effect on the Issue Date), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of the Issuer; *provided* that for the purposes of this clause, no Change of Control shall be deemed to occur by reason of the Issuer becoming a Subsidiary of a Successor Parent; or

(b) the sale (other than by way of merger, consolidation or other business combination transaction), in one or a series of related transactions, of all or substantially all the assets of the Issuer and its Subsidiaries, taken as a whole, to another Person other than a Restricted Subsidiary.

"**Clearing System Business Day**" means Monday to Friday, inclusive, except December 25 and January 1.

"**Clearstream**" means Clearstream Banking S.A. and its successors.

"**Commission**" means the Securities and Exchange Commission.

"**Commodities Agreement**" means any agreement or arrangement designed to protect the relevant Person against fluctuations in commodities prices.

"**Consolidated EBITDA**" means, for any period, Consolidated Net Income for such period plus the following to the extent deducted in calculating such Consolidated Net Income, without duplication:

(a) provision for taxes based on income, profits or capital of the Issuer and its Restricted Subsidiaries for such period, and any charge for such taxes Incurred and any charge for or in respect of any surrender of group relief by the Issuer or a Restricted Subsidiary pursuant to a Tax Sharing Agreement; *plus*

(b) the Consolidated Fixed Charges of the Issuer and its Restricted Subsidiaries for such period; *plus*

(c) depreciation, amortization (including, without limitation, amortization of intangibles and deferred financing fees), goodwill and other non-cash charges and expenses (including, without limitation, write-downs and impairment of property, plant, equipment and intangibles and other long-lived assets and the impact of purchase accounting on the Issuer and its Restricted Subsidiaries for such period) of the Issuer and its Restricted Subsidiaries (excluding any such non-cash charge or expense to the extent that it represents an accrual of or reserve for cash charges or expenses in any future period or amortization of a prepaid cash charge or expense that was paid in a prior period) for such period; *plus*

(d) any expenses, charges or other costs related to the issuance, offer or sale of any Capital Stock, or any Permitted Investment, acquisition (including amounts paid in connection with the acquisition or retention of one or more individuals comprising part of a management team retained to manage the acquired business *provided* that such payments are made at the time of such acquisition and are consistent with the customary practice in the industry at the time of such acquisition), joint venture, disposition, recapitalization or listing or the Incurrence of Debt or the refinancing of any other Debt of such Person or any of its Restricted Subsidiaries, in each case, whether or not successful; *plus*

(e) the amount of any minority interest expense consisting of subsidiary income attributable to minority equity interests of third parties in any Restricted Subsidiary in such period or any prior period, except to the extent of dividends declared or paid on, or other cash payments in respect of, Capital Stock held by such parties; *plus*

(f) the proceeds of any business interruption insurance received or that become receivable during such period to the extent the associated losses arising out of the event that resulted in the payment of such business interruption insurance proceeds, or such amount becoming payable, were included in computing Consolidated Net Income; *plus*

(g) payments received or that become receivable with respect to, expenses that are covered by the indemnification provisions in any agreement entered into by the Issuer or any Restricted Subsidiary to the extent such expenses were included in computing Consolidated Net Income; *plus*

(h) any income, charge or other expense attributable to post-employment benefit, pension, fund or similar obligation other than the current service costs and any past service costs and curtailments and settlements attributable to the scheme; *plus*

(i) any Receivables Fees and discounts on the sale of accounts receivable in connection with any Qualified Receivables Financing or Permitted Recourse Receivables Financing or any other receivables financing representing, in the Issuer's reasonable determination, the implied interest component of such discount for such period; *plus*

(j) any unrealized foreign currency translation or transaction losses of the Issuer and its Restricted Subsidiaries (including losses related to currency remeasurements of Debt); *minus*

(j) non-cash items reducing such Consolidated Net Income for such period, other than the reversal of a reserve for cash charges in a future period in the ordinary course of business.

For the purposes of determining "Consolidated EBITDA", *pro forma* effect shall be given to Consolidated EBITDA on the same basis as for calculating the Consolidated Net Leverage Ratio for the Issuer and its Restricted Subsidiaries.

"**Consolidated Fixed Charges**" means, for any period, without duplication and in each case determined in accordance with IFRS, the sum of:

(a) consolidated interest expense of the Issuer and its Restricted Subsidiaries to the extent deducted in calculating Consolidated Net Income for such period, plus, to the extent not otherwise included in consolidated interest expense:

  (i) amortization of original issue discount (but not including deferred financing fees, debt issuance costs and premium, commissions, fees and expenses owed or paid with respect to financings);

  (ii) the net payments made or received pursuant to Hedging Agreements (including amortization of fees and discounts);

  (iii) commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing and similar transactions; and

  (iv) the interest portion of any deferred payment obligation and amortization of debt issuance costs; *plus*

(b) the interest component of the Issuer's and the Restricted Subsidiaries' Capitalized Lease Obligations accrued and/or scheduled to be paid or accrued during such period other than the interest component of Capitalized Lease Obligations between or among the Issuer and any Restricted Subsidiary or between or among Restricted Subsidiaries; *plus*

(c) the Issuer's and the Restricted Subsidiaries non-cash interest expenses and interest that was capitalized during such period; *plus*

(d) the interest expense on Debt of another Person to the extent such Debt is guaranteed by the Issuer or any Restricted Subsidiary or secured by a Lien on the Issuer's or any Restricted Subsidiary's assets, but only to the extent that such interest is actually paid by the Issuer or such Restricted Subsidiary; *plus*

(e) cash and non-cash dividends due (whether or not declared) on the Issuer's Redeemable Capital Stock and any Restricted Subsidiary's Preferred Stock (to any Person other than the Issuer or any Restricted Subsidiary), in each case for such period,

to the extent included above, minus (i) accretion or accrual of discounted liabilities other than Debt; (ii) any expense resulting from the discounting of any Debt in connection with the application of purchase accounting in connection with any acquisition; (iii) any discounts, commissions, fees, interest, expenses and other charges associated with Qualified

Receivables Financing; (iv) interest with respect to Debt of any Holding Company of any Person appearing upon the balance sheet of such Person solely by reason of push-down accounting under IFRS; (v) any Additional Amounts with respect to the Notes or other similar tax gross-up on any Debt (including, without limitation, under any Credit Facility), which is included in interest expenses under IFRS; (vi) any capitalized, accrued or accreting or pay-in-kind interest or principal on Subordinated Shareholder Debt; and (vii) any interest income of the Issuer and the Restricted Subsidiaries.

"**Consolidated Net Debt**" means, as of any date of determination, the sum of the total amount of Debt of the Issuer and the Restricted Subsidiaries, less cash and Cash Equivalents, in each case that would be stated on the balance sheet of the Issuer and the Restricted Subsidiaries on a consolidated basis on such date. In respect of any applicable period, the exchange rate used to calculate Consolidated Net Debt will be the weighted average exchange rate for the period of the Issuer's most recent two consecutive semi-annual periods for which internal consolidated financial statement are available prior to the date of determination; *provided* that, where applicable, any amount of Debt will be stated so as to take into account the hedging effect of any currency hedging entered into in respect of or by reference to that Debt.

"**Consolidated Net Income**" means, for any period, the Issuer's and the Restricted Subsidiaries' consolidated net income (or loss) for such period as determined in accordance with IFRS, adjusted by excluding (to the extent included in such consolidated net income or loss), without duplication:

(a) the portion of net income (and the loss unless and to the extent funded in cash by the Issuer or a Restricted Subsidiary) of any Person (other than the Issuer or a Restricted Subsidiary), including Unrestricted Subsidiaries, in which the Issuer or any Restricted Subsidiary has an equity ownership interest, except that the Issuer's or a Restricted Subsidiary's equity in the net income of such Person for such period shall be included in such Consolidated Net Income to the extent of the aggregate amount of dividends or other distributions actually paid to the Issuer or any Restricted Subsidiary in cash dividends or other distributions during such period;

(b) solely for the purpose of determining the amount available for Restricted Payments under paragraph (2)(c)(i) of the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*," the net income (but not the loss) of any Restricted Subsidiary to the extent that the declaration or payment of dividends or similar distributions by such Restricted Subsidiary is not at the date of determination permitted, directly or indirectly, by operation of the terms of its articles of incorporation, charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to such Restricted Subsidiary or its shareholders (other than (i) restrictions that have been waived or otherwise released, (ii) restrictions pursuant to the Indenture, (iii) contractual restrictions in effect on the Issue Date with respect to a Restricted Subsidiary, and other restrictions with respect to such Restricted Subsidiary that, taken as a whole, are not materially less favorable to the Holders than such restrictions in effect on the Issue Date, and (iv) restrictions specified in the covenant described under "*—Certain Covenants—Limitation on Dividends and Other Payment Restrictions Affecting Restricted Subsidiaries*") except that the Issuer's equity in the net income of any such Restricted Subsidiary for such period will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash Equivalents actually distributed or that could have been distributed by such Restricted Subsidiary during such period to the Issuer or another Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend to another Restricted Subsidiary, to the limitation contained in this clause);

(c) net after-tax gains attributable to the termination of any employee pension benefit plan;

(d) any restoration to net income of any contingency reserve, except to the extent provision for such reserve was made out of income accrued at any time following the Issue Date;

(e) (i) any net gain or loss arising from the acquisition of any securities or extinguishment, under IFRS, of any Debt of such Person and (ii) all deferred financing costs written off and premium paid in connection with any early extinguishment of Debt and any net gain or loss from any write-off or forgiveness of Debt;

(f) the net income attributable to discontinued operations (including, without limitation, operations disposed of during such period whether or not such operations were classified as discontinued);

(g) the cumulative effect of a change in accounting principles;

(h) the net gain (or loss) realized upon the sale or other disposition of any asset or disposed operations of the Issuer or any Restricted Subsidiary (including pursuant to a sale and leaseback transaction) which is not sold or otherwise disposed of in the ordinary course of business (as determined in good faith by an Officer or the Board of Directors of the Issuer);

(i) any pre-tax special, extraordinary, one-off, irregular, exceptional, unusual or non-recurring gain, loss, expense or charge (including one-off investment in plant, property and equipment), or any charges in respect of any restructuring, redundancy, relocation, refinancing, integration or severance or other post-employment arrangements, signing, retention or completion bonuses, transaction costs (including costs related to the refinancing or any investments), acquisition costs, business optimization, system establishment, software or information technology implementation or development costs, costs related to governmental investigations and curtailments or modifications to pension or post-retirement benefits schemes, litigation or any asset impairment charges or the financial impacts of natural disasters (including fire, flood and storm and related events);

(j) any non-cash compensation charge or expense arising from any grant of stock, stock options or other equity based awards, any non-cash charges or reserves in respect of any restructuring, redundancy, integration or severance, and any non-cash deemed finance charges in respect of any pension liabilities or other provisions;

(k) any unrealized gains or losses in respect of Hedging Agreements or other derivative instruments or forward contracts or any ineffectiveness recognized in earnings related to a qualifying hedge transaction or the fair value or changes therein recognized in earnings for derivatives that do not qualify as hedge transactions, in each case, in respect of Hedging Agreements;

(l) any unrealized foreign currency transaction gains or losses in respect of Debt or other obligations of the Issuer or any Restricted Subsidiary denominated in a currency other than the functional currency of such Person and any unrealized foreign exchange gains or losses resulting from re-measuring assets and liabilities denominated in foreign currencies;

(m) any unrealized foreign currency translation or transaction gains or losses in respect of Debt or other obligations of the Issuer or any Restricted Subsidiary owing to the Issuer or any Restricted Subsidiary;

(n) any goodwill or other intangible asset impairment charge or write-off or write-down; and

(o) the impact of capitalized, accrued or accreting or pay-in-kind interest or principal on Subordinated Shareholder Debt.

"**Consolidated Net Leverage Ratio**" means, as at any date of determination, the ratio of: (1) the *pro forma* Consolidated Net Debt on such date, to (2) the *pro forma* Consolidated EBITDA for the period of the Issuer's most recent two consecutive semi-annual periods for which internal consolidated financial statements are available prior to the date of determination; *provided* that:

(a) if the Issuer or any Restricted Subsidiary has Incurred any Debt since the beginning of such period that remains outstanding or if the transaction giving rise to the need to calculate the Consolidated Net Leverage Ratio is an Incurrence of Debt or both, Consolidated EBITDA and Consolidated Net Debt for such period shall be calculated, without duplication, after giving effect on a *pro forma* basis to such Debt as if such Debt had been Incurred on the first day of such period;

(b) if the Issuer or any Restricted Subsidiary has repaid, repurchased, redeemed, defeased or otherwise acquired, retired or discharged any Debt (each, a "**Discharge**") since the beginning of such period that is no longer outstanding or if the transaction giving rise to the need to calculate the Consolidated Net Leverage Ratio is a Discharge of Debt or both, Consolidated EBITDA and Consolidated Net Debt for such period shall be calculated, without duplication, after giving effect on a *pro forma* basis to such Discharge as if such Discharge had occurred on the first day of such period;

(c) if, since the beginning of such period, the Issuer or any Restricted Subsidiary shall have made any Asset Sale, Consolidated EBITDA for such period shall be reduced by an amount equal to the Consolidated EBITDA (if positive) directly attributable to the assets which are the subject of such Asset Sale for such period, or increased by an amount equal to the Consolidated EBITDA (if negative) directly attributable thereto, for such period and the Consolidated Net Debt for such period shall be reduced by an amount equal to the Consolidated Net Debt directly attributable to any Debt of the Issuer or of any Restricted Subsidiary repaid, repurchased, defeased or otherwise discharged with respect to the Issuer and the continuing Restricted Subsidiaries in connection with such Asset Sale for such period (or, if the Capital Stock of any Restricted Subsidiary is sold, the Consolidated Net Debt for such period directly attributable to the Debt of such Restricted Subsidiary to the extent the Issuer and the continuing Restricted Subsidiaries are no longer liable for such Debt after such sale);

(d) if, since the beginning of such period, the Issuer or any Restricted Subsidiary (by merger, consolidation, amalgamation or other combination or otherwise) shall have made an Investment in any Restricted Subsidiary (or any Person which becomes a Restricted Subsidiary) or an acquisition of assets, including any acquisition of an asset occurring in connection with a transaction causing a calculation to be made hereunder, which constitutes all or substantially all of an operating unit of a business, Consolidated EBITDA and Consolidated Net Debt for such period shall be calculated after giving *pro forma* effect thereto as if such Investment or acquisition occurred on the first day of such period; and

(e) if, since the beginning of such period, any Person (that subsequently became a Restricted Subsidiary or was merged with or into the Issuer or any Restricted Subsidiary since the beginning of such period) shall have made any Asset Sale or any Investment or acquisition of assets that would have required an adjustment pursuant to clause (c) or (d) if made by the Issuer or a Restricted Subsidiary during such period, Consolidated EBITDA and Consolidated Net Debt for such period shall be calculated after giving *pro forma* effect thereto as if such Asset Sale or Investment or acquisition occurred on the first day of such period.

If any Debt bears a floating rate of interest and is being given *pro forma* effect, the interest expense on such Debt shall be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account any Interest Rate Agreement applicable to such Debt for a period equal to the remaining term of such Interest Rate Agreement).

For purposes of this definition, without double counting, (1) *pro forma* effect may be given to any transaction referred to in clauses (a) through (e) above, or the amount of income or earnings relating thereto, and the *pro forma* calculations in respect thereof (including, without limitation, in respect of anticipated cost savings or synergies relating to any such transaction projected to be realized within 18 months from the consummation of such transaction (calculated on a *pro forma* basis as though such cost savings or synergies had been realized on the first day of the relevant period) net of the amounts of any actual benefits realized during the relevant period from such actions) shall be as determined in good faith by the Chief Financial Officer of the Issuer or an authorized responsible financial or accounting Officer of the Issuer and (2) when determining *pro forma* Consolidated EBITDA of the Issuer and the Restricted Subsidiaries, the Issuer may adjust Consolidated EBITDA to add an amount equal to the cost savings or synergies projected to be realized as the result of actions taken or to be taken on or prior to the date that is 18 months after the consummation of any operational change (calculated on a *pro forma* basis as though such cost savings or synergies had been realized on the first day of the relevant period), net of the amount of any actual benefits realized during the relevant period from such actions, as determined in good faith by the Chief Financial Officer of the Issuer or an authorized responsible financial or accounting Officer of the Issuer.

"**Contribution Amounts**" means the aggregate amount of capital contributions applied by the Issuer to permit the Incurrence of Contribution Debt pursuant to clause (2)(w) of the covenant described under the caption "*—Certain Covenants—Limitation on Debt*."

"**Contribution Debt**" means Debt of the Issuer or any Guarantor in an aggregate principal amount not greater than 100% of the aggregate amount of net cash contributions (other than the proceeds from the issuance of Redeemable Capital Stock or Preferred Stock or contributions by the Issuer or any Restricted Subsidiary) made to the equity capital of the Issuer or such Guarantor (in each case, other than by a Subsidiary of the Issuer) (whether through the issuance or sale of Capital Stock (other than Redeemable Capital Stock or Preferred Stock) or Subordinated Shareholder Debt or otherwise contributed to equity (other than through Redeemable Capital Stock or Preferred Stock)) in each case after the Issue Date; *provided* that such Contribution Debt:

(a) is Incurred within 180 days after the making of the related cash capital contribution; and

(b) is so designated as "Contribution Debt" pursuant to an Officer's Certificate no later than the date of Incurrence thereof.

"**Credit Facility**" or "**Credit Facilities**" means, one or more debt facilities or indentures, as the case may be, or commercial paper facilities, arrangements, instruments, note purchase agreements or commercial paper facilities and overdraft facilities, in each case, with banks, insurance companies or other institutional lenders or investors providing for revolving credit loans, term loans, bankers acceptances, receivables or inventory financing (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against such receivables), notes, letters of credit or other Debt, in each case, as amended, supplemented, restated, modified, renewed, refunded, replaced, refinanced, repaid, increased or extended in whole or in part from time to time (each, for purposes of paragraph (2)(a) of "*—Certain Covenants—Limitation on Debt*," a "refinancing") (and whether in whole or in part and whether or not with the original administrative agent and lenders or another administrative agent or agents or other banks, institutions or investors and whether provided under one or more other credit or other agreements, indentures, note purchase agreements, financing agreements or otherwise) and in each case including all agreements, instruments and documents executed and delivered pursuant to or in connection with the foregoing (including any notes and letters of credit issued pursuant thereto and any Guarantee and collateral agreement, patent and trademark security agreement, mortgages or letter of credit applications and other guarantees, pledges, charges, agreements, security agreements and collateral documents). Without limiting the generality of the foregoing, the term "Credit Facility" shall include any agreement or instrument (a) changing the maturity of any Debt Incurred thereunder or contemplated thereby, (b) adding Subsidiaries of the Issuer as additional borrowers or guarantors thereunder, (c) increasing the amount of Debt Incurred thereunder or available to be borrowed thereunder or (d) otherwise altering the terms and conditions thereof.

"**Currency Agreements**" means, in respect of a Person, any spot or forward foreign exchange agreements and currency swap, currency option or other similar financial agreements or arrangements designed to protect such Person against or manage exposure to fluctuations in foreign currency exchange rates.

"**Debt**" means, with respect to any Person on any date of determination, without duplication:

(a) the principal of indebtedness of such Person for borrowed money (including overdrafts) or for the deferred purchase price of property or services, excluding any trade payables and other accrued current liabilities Incurred in the ordinary course of business;

(b) the principal of obligations of such Person evidenced by bonds, notes, debentures or other similar instruments;

(c) all reimbursement obligations of such Person in connection with any letters of credit, bankers' acceptances or other similar facilities (the amount of such obligation being equal at any time to the aggregate amount of drawings thereunder that have not then been reimbursed);

(d) all debt of such Person created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even if the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), which is due more than one year after its Incurrence but excluding trade payables arising in the ordinary course of business;

(e) all Capitalized Lease Obligations of such Person;

(f) all obligations of such Person under or in respect of Hedging Agreements (the amount of any such obligation to be equal at any time to the termination value of such agreement or arrangement giving rise to such obligation that would be payable by such Person at such time);

(g) all Debt referred to in (but not excluded from) the preceding clauses (a) through (f) of other Persons and all dividends of other Persons, the payment of which is secured by (or for which the holder of such Debt has an existing right, contingent or otherwise, to be secured by) any Lien upon or with respect to property (including, without limitation, accounts and contract rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such Debt (the amount of such obligation being deemed to be the lesser of the Fair Market Value of such property or asset and the amount of the obligation so secured);

(h) all guarantees by such Person of Debt referred to in this definition of any other Person;

(i) all Redeemable Capital Stock of such Person valued at the greater of its voluntary maximum fixed repurchase price and involuntary maximum fixed repurchase price; and

(j) Preferred Stock of any Restricted Subsidiary,

in each case to the extent it appears as a liability on the balance sheet in accordance with IFRS; *provided* that the term "Debt" shall not include: (i) non-interest bearing instalment obligations and accrued liabilities Incurred in the ordinary course of business that are (a) not more than 180 days past due or (b) more than 180 days past due but with the consent of the payee or as the result of a *bona fide* ongoing negotiation over such liabilities; (ii) any pension obligations of the Issuer or a Restricted Subsidiary; (iii) Debt Incurred by the Issuer or one of the Restricted Subsidiaries in connection with a transaction where (a) such Debt is borrowed from a bank or trust company organized under, or authorized to operate as a bank or trust company under, the laws of a member state of the European Union or of the United States of America or any state thereof, Switzerland, Norway or Canada or any commercial banking institution that is a member of the U. S. Federal Reserve System, in each case having a combined capital and surplus and undivided profits of not less than €250.0 million, whose long-term, unsecured, unsubordinated and unguaranteed debt has a rating immediately prior to the time such transaction is entered into, of "BBB-" or higher by S&P, "Baa3" or higher by Moody's or the equivalent rating category of another internationally recognized rating agency and (b) a substantially concurrent Investment is made by the Issuer or a Restricted Subsidiary in the form of cash deposited with the lender of such Debt, or a Subsidiary or affiliate thereof, in amount equal to such Debt; (iv) obligations under a Tax Sharing Agreement, up to an amount not to exceed, with respect to such obligations, the amount of such Taxes that the Issuer and its Restricted Subsidiaries would have been required to pay on a separate company basis, or on a consolidated basis if the Issuer and the Restricted Subsidiaries had paid tax on a consolidated, combined, group, affiliated or unitary basis on behalf of an affiliated group consisting only of the Issuer and its Restricted Subsidiaries; (v) any guarantee, indemnity, bond, standby letter of credit or similar instrument in respect of commercial obligations of the Issuer or any Restricted Subsidiary in the ordinary course of business to the extent such guarantees, indemnities, bonds or letters of credit are not drawn upon or, if and to the extent drawn upon are honored in accordance with their terms and if to be reimbursed, are reimbursed no later than the fifth Business Day following receipt by such Person of a demand for reimbursement following payment on the guarantee, indemnity, bond or letter of credit; (vi) Subordinated Shareholder Debt; (vii) in connection with any previous or future purchase by the Issuer of any Restricted Subsidiary of any business, any post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing; *provided, however*, that, at the time of closing, the amount of any such payment is not definitively determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid within 60 days thereafter and (viii) obligations under or in respect of Qualified Receivables Financings.

For purposes of this definition, the "maximum fixed repurchase price" of any Redeemable Capital Stock that does not have a fixed redemption, repayment or repurchase price will be calculated in accordance with the terms of such Redeemable Capital Stock as if such Redeemable Capital Stock were purchased on any date on which Debt will be required to be determined pursuant to the Indenture, and if such price is based upon, or measured by, the Fair Market Value of such Redeemable Capital Stock, such Fair Market Value will be determined in good faith by the Board of Directors of the Issuer of such Redeemable Capital Stock; *provided*, that if such Redeemable Capital Stock is not then permitted to be redeemed, repaid or repurchased, the redemption, repayment or repurchase price shall be the book value of such Redeemable Capital Stock as reflected in the most recent financial statements of such Person.

"**Default**" means any event that is, or after the giving of notice or passage of time or both would be, an Event of Default.

"**Designated Non-cash Consideration**" means the Fair Market Value of non-cash consideration received by the Issuer or one of its Restricted Subsidiaries in connection with an Asset Sale that is so designated as "Designated Non-cash Consideration" pursuant to an Officer's Certificate, setting forth the basis of such valuation, less the amount of cash or Cash Equivalents received in connection with a subsequent sale of such Designated Non-cash Consideration.

"**Disinterested Member**" means, with respect to any transaction or series of related transactions, a member of the Issuer's Board of Directors who does not have any material direct or indirect financial interest in or with respect to such transaction or series of related transactions or is not an Affiliate, or an officer, director, member of a supervisory, executive or management board or employee of any Person (other than the Issuer or a Restricted Subsidiary) who has any direct or indirect financial interest in or with respect to such transaction or series of related transactions, *provided* that the ownership of Capital Stock in a Person that has a direct or indirect financial interest in or with respect to such transactions or series of related transactions will not in itself disqualify a member of the Issuer's Board of

Directors from being a Disinterested Member with respect to any transaction or series of related transactions.

"**Equity Offering**" means an issuance or sale of Capital Stock (which is Qualified Capital Stock) of the Issuer, or any Holding Company of the Issuer, other than on Form S-8 (or any successor form) under the Securities Act or any similar offering in other jurisdictions; *provided* that the net proceeds of such issuance or sale are contributed to the equity capital of, or as Subordinated Shareholder Debt to, the Issuer or any of the Restricted Subsidiaries.

"**Escrowed Proceeds**" means the proceeds from the offering of any debt securities or other Debt paid into escrow accounts with an independent escrow agent on the date of the applicable offering or incurrence pursuant to escrow arrangements that permit the release of amounts on deposit in such escrow accounts upon satisfaction of certain conditions or the occurrence of certain events. The term "Escrowed Proceeds" shall include any interest earned on the amounts held in escrow.

"**euro**" or "**€**" means the euro, the official currency of the European Union member states participating in the European Monetary Union.

"**Euro Equivalent**" means, with respect to any monetary amount in a currency other than euro, at any time for the determination thereof, the amount of euro obtained by converting such foreign currency involved in such computation into euro at the spot rate for the purchase of euro with the applicable foreign currency as published under "Currency Rates" in the section of the Financial Times entitled "Currencies, Bonds & Interest Rates" on the date that is two Business Days prior to such determination.

"**Euroclear**" means Euroclear Bank SA/NV and its successors, as operator of the Euroclear System.

"**European Government Obligations**" means any security that is (1) a direct obligation of any country that is a member of the European Monetary Union on the date of the Indenture, for the payment of which the full faith and credit of such country is pledged or (2) an obligation of a person controlled or supervised by and acting as an agency or instrumentality of any such country the payment of which is unconditionally guaranteed as a full faith and credit obligation by such country, which, in either case under the preceding clause (1) or (2), is not callable or redeemable at the option of the issuer thereof.

"**European Union**" means the European Union as of December 31, 2020.

"**Exchange**" means the Luxembourg Stock Exchange and its successors and assigns.

"**Exchange Act**" means the U. S. Securities Exchange Act of 1934, as amended, or any successor statute, and the rules and regulations promulgated by the Commission thereunder.

"**Fair Market Value**" means, with respect to any asset or property, the sale value that would be obtained in an arm's-length free market transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy, as determined in good faith by the Issuer's Board of Directors, Chief Executive Officer or Chief Financial Officer, in each case whose determination will be conclusive.

"**Fitch**" means Fitch Ratings Inc., or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

"**Fixed Charge Coverage Ratio**" means, as of any date of determination, the ratio of (1) *pro forma* Consolidated EBITDA to (2) *pro forma* Consolidated Fixed Charges for the Issuer's most recent two consecutive semi-annual periods for which internal consolidated financial statements are available prior to the date of determination; *provided* that:

(a) if the Issuer or any Restricted Subsidiary has Incurred any Debt since the beginning of such period that remains outstanding or if the transaction giving rise to the need to calculate the Fixed Charge Coverage Ratio is an Incurrence of Debt or both, Consolidated EBITDA and Consolidated Fixed Charges for such period shall be calculated, without duplication, after giving effect on a *pro forma* basis to such Debt as if such Debt had been Incurred on the first day of such period;

(b) if the Issuer or any Restricted Subsidiary has Discharged (as defined under the definition of "Consolidated Net Leverage Ratio") any Debt since the beginning of such period that is no longer outstanding or if the transaction giving rise to the need to calculate the Fixed Charge Coverage Ratio is a Discharge of Debt or both (in each case other than Debt Incurred under any revolving credit facility (including the Revolving Credit Facility) unless such Debt has been permanently repaid), Consolidated EBITDA and Consolidated Fixed Charges for such period shall be calculated, without duplication, after giving effect on a *pro forma* basis to such Discharge as if such Discharge had occurred on the first day of such period;

(c) if, since the beginning of such period, the Issuer or any Restricted Subsidiary shall have made any Asset Sale, Consolidated EBITDA for such period shall be reduced by an amount equal to the Consolidated EBITDA (if positive) directly attributable to the assets which are the subject of such Asset Sale for such period, or increased by an amount equal to the Consolidated EBITDA (if negative) directly attributable thereto, for such period and the Consolidated Fixed Charges for such period shall be reduced by an amount equal to the Consolidated Fixed Charges directly attributable to any Debt of the Issuer or of any Restricted Subsidiary repaid, repurchased, defeased or otherwise discharged with respect to the Issuer and the continuing Restricted Subsidiaries in connection with such Asset Sale for such period (or, if the Capital Stock of any Restricted Subsidiary is sold, the Consolidated Fixed Charges for such period directly attributable to the Debt of such Restricted Subsidiary to the extent the Issuer and the continuing Restricted Subsidiaries are no longer liable for such Debt after such sale);

(d) if, since the beginning of such period, the Issuer or any Restricted Subsidiary (by merger, consolidation, amalgamation or other combination or otherwise) shall have made an Investment in any Restricted Subsidiary (or any Person which becomes a Restricted Subsidiary) or an acquisition of assets, including any acquisition of an asset occurring in connection with a transaction causing a calculation to be made hereunder, which constitutes all or substantially all of an operating unit of a business, Consolidated EBITDA and Consolidated Fixed Charges for such period shall be calculated after giving *pro forma* effect thereto as if such Investment or acquisition occurred on the first day of such period; and

(e) if, since the beginning of such period, any Person (that subsequently became a Restricted Subsidiary or was merged with or into the Issuer or any Restricted Subsidiary since the beginning of such period) shall have made any Asset Sale or any Investment or acquisition of assets that would have required an adjustment pursuant to clause (c) or (d) if made by the Issuer or a Restricted Subsidiary during such period, Consolidated EBITDA and Consolidated Fixed Charges for such period shall be calculated after giving *pro forma* effect thereto as if such Asset Sale or Investment or acquisition occurred on the first day of such period,

provided, however, the *pro forma* calculation of the Fixed Charge Coverage Ratio shall not give effect to (i) any Debt Incurred on the date of determination pursuant to paragraph (2) of "*—Certain Covenants—Limitation on Debt*" (other than with respect to clause (t) of such covenant) or (ii) the discharge on the date of determination of any Debt to the extent that such discharge results from the proceeds Incurred pursuant to paragraph (2) of "*—Certain Covenants—Limitation on Debt*."

If any Debt bears a floating rate of interest and is being given *pro forma* effect, the interest expense on such Debt shall be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account any Interest Rate

Agreement applicable to such Debt for a period equal to the remaining term of such Interest Rate Agreement).

For purposes of this definition, without double counting, (1) *pro forma* effect may be given to any transaction referred to in clauses (a) through (e) above, or the amount of income or earnings relating thereto, and the *pro forma* calculations in respect thereof (including, without limitation, in respect of anticipated cost savings or synergies relating to any such transaction projected to be realized within 24 months from the consummation of such transaction (calculated on a *pro forma* basis as though such cost savings or synergies had been realized on the first day of the relevant period) net of the amounts of any actual benefits realized during the relevant period from such actions) shall be as determined in good faith by the Chief Financial Officer of the Issuer or an authorized responsible financial or accounting Officer of the Issuer and (2) when determining *pro forma* Consolidated EBITDA of the Issuer and the Restricted Subsidiaries, the Issuer may adjust Consolidated EBITDA to add an amount equal to the cost savings or synergies projected to be realized as the result of actions taken or to be taken on or prior to the date that is 24 months after the consummation of any operational change (calculated on a *pro forma* basis as though such cost savings or synergies had been realized on the first day of the relevant period), net of the amount of any actual benefits realized during the relevant period from such actions, as determined in good faith by the Chief Financial Officer of the Issuer or an authorized responsible financial or accounting Officer of the Issuer.

"**Group**" means the Issuer and its Subsidiaries.

"**guarantee**" means, as applied to any obligation:

(a) a guarantee (other than by endorsement of negotiable instruments for collection or deposit in the ordinary course of business), direct or indirect, in any manner, of any part or all of such obligation; and

(b) an agreement, direct or indirect, contingent or otherwise, the practical effect of which is to assure in any way the payment or performance (or payment of damages in the event of non-performance) of all or any part of such obligation, including, without limiting the foregoing, by the pledge of assets and the payment of amounts drawn down under letters of credit.

When used as a verb, "guarantee" shall have a corresponding meaning.

"**Guarantee**" means the Guarantee of the Issuer's obligations under the Indenture and the Notes by any of its Restricted Subsidiaries or any other Person in accordance with the provisions of the Indenture. When used as a verb, "Guarantee" shall have a corresponding meaning.

"**Guarantor**" means any Restricted Subsidiary of the Issuer or any other Person that executes a Guarantee in accordance with the provisions of the Indenture and their respective successors and assigns, in each case, until the Guarantee of such Person has been released in accordance with the provisions of the Indenture.

"**Hedging Agreements**" means non-speculative Currency Agreements, Interest Rate Agreements and Commodities Agreements entered into in the ordinary course of business.

"**Holder**" means the Person in whose name a Note is recorded on the Registrar's books.

"**Holding Company**" of a Person means any other Person (other than a natural person) of which the first Person is a Subsidiary.

"**IFRS**" means International Financial Reporting Standards (formerly International Accounting Standards) as issued by the International Accounting Standard Board (and related interpretations issued by the IASB) or any variation thereof with which the Issuer or its Restricted Subsidiaries are, or may be, required to comply, as in effect on the Issue Date or, with respect to the covenant described under the caption "*Certain Covenants—Reports*," as in effect from time to time. Except as otherwise set forth in the Indenture, all ratios and calculations based on IFRS contained in the Indenture shall be computed in accordance with IFRS as in effect on the Issue Date. At any time after the Issue Date, the Issuer may elect to implement any new measures or other changes to IFRS in effect on or prior to the date of such election; *provided that* any such election, once made, shall be irrevocable.

"**Incur**" has the meaning given to such term in paragraph (1) under the caption "*—Certain Covenants—Limitation on Debt*;" *provided* that any Debt or Capital Stock of a Person existing at the time such Person becomes a Subsidiary (whether by merger, consolidation, acquisition or otherwise) shall be deemed to be Incurred by such Subsidiary at the time it becomes a Subsidiary. Accrual of interest, the accretion of accreted value, the payment of interest in the form of additional Debt, and the payment of dividends on Capital Stock constituting Debt in the form of additional shares of the same class of Capital Stock, will not be deemed to be an Incurrence of Debt. Any Debt issued at a discount (including Debt on which interest is payable through the issuance of additional Debt) shall be deemed Incurred at the time of original issuance of the Debt at the initial accreted amount thereof.

"**Initial Purchasers**" means the institutions named in the Offering Memorandum.

"**Interest Rate Agreements**" means, in respect of a Person, any interest rate protection agreements and other types of interest rate hedging agreements (including, without limitation, interest rate swaps, caps, floors, collars and similar agreements) designed to protect such Person against or manage exposure to fluctuations in interest rates.

"**Investment Grade Status**" shall occur when all of the Notes receive two of the following:

(a) a rating of "BBB-" or higher from S&P;

(b) a rating of "Baa3" or higher from Moody's; and/or

(c) a rating of "BBB-" or higher from Fitch,

or the equivalent of such rating by any such rating organization or, if no rating of Moody's, Fitch or S&P then exists, the equivalent of such rating by any other Nationally Recognized Statistical Rating Organization.

"**Investments**" means, with respect to any Person, all direct or indirect investments by such Person in other Persons (including Affiliates) in the forms of loans (including Guarantees or other similar obligations), advances or capital contributions (excluding advances or extension of credit to officers, customers, licensees, leases, suppliers, directors or employees made in the ordinary course of business), or purchases or other acquisitions in consideration of Debt, Capital Stock or other securities, together with all items that are or would be classified as investments on a balance sheet (excluding the notes thereto) prepared in accordance with IFRS. If the Issuer or any Subsidiary of the Issuer sells or otherwise disposes of any Capital Stock of any direct or indirect Subsidiary of the Issuer such that, after giving effect to any such sale or disposition, such Person is no longer a Subsidiary of the Issuer, the Issuer will be deemed to have made an Investment on the date of any such sale or disposition equal to the Fair Market Value of the Issuer's Investments in such Subsidiary that were not sold or disposed of in an amount determined as provided in the definition of Fair Market Value. The acquisition by the Issuer or any Subsidiary of the Issuer of a Person that holds an Investment in a third Person will be deemed to be an Investment by the Issuer or such Subsidiary in such third Person in an amount equal to the Fair Market Value of the Investments held by the acquired Person in such third Person in an amount determined as provided in the final sentence of paragraph (1) of the covenant described above under the caption "*—Certain Covenants—Limitation on Restricted Payments*." If the Issuer or any Restricted Subsidiary issues, sells or otherwise disposes of any Capital Stock of a Person that is a Restricted Subsidiary such that, after giving effect thereto, such Person is no longer a Restricted Subsidiary, any Investment by the Issuer or any Restricted Subsidiary in such Person remaining after giving effect thereto will be deemed to be a new Investment equal to the Fair Market Value of the Capital Stock of such Subsidiary not sold or disposed of in an amount determined as provided in the final sentence of paragraph (1) of the covenant described above under the caption *"—Certain Covenants—Limitation on Restricted Payments*." The amount of any Investment outstanding at any time shall be the original cost of such Investment, reduced (at the Issuer's option) by any dividend, distribution, interest payment, return of capital, repayment or other amount or value received in respect of such Investment.

"**Issue Date**" means July 8, 2021.

"**Lien**" means any mortgage or deed of trust, charge, pledge, lien (statutory or otherwise), security interest, hypothecation, assignment for or by way of security or encumbrance upon or with respect to any property of any kind, real or personal, movable or immovable, now owned or hereafter acquired. A Person will be deemed to own subject to a Lien any property which such Person has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement.

"**Limited Condition Transaction**" means (i) any acquisition, including by way of merger, amalgamation or consolidation, by the Issuer or one or more of the Restricted Subsidiaries the consummation of which is not conditioned upon the availability of, or on obtaining, third-party financing; *provided* that Consolidated Net Income (and any other financial term derived therefrom), other than for purposes of calculating any ratios in connection with the Limited Condition Transaction and the related transactions, shall not include any Consolidated Net Income of or attributable to the target company or assets involved in any such Limited Condition Transaction unless and until the closing of such Limited Condition Transaction shall have actually occurred and (ii) any repayment, repurchase or refinancing of Debt with respect to which an irrevocable notice of repayment (or similar irrevocable notice) has been delivered.

"**Management Advances**" means loans or advances made to, or guarantees with respect to loans or advances made to, directors, officers, employees or consultants of the Issuer, any Parent or any Restricted Subsidiary:

(1) (a) in respect of travel, entertainment or moving related expenses Incurred in the ordinary course of business or (b) for purposes of funding any such person's purchase of Capital Stock or Subordinated Shareholder Debt (or similar obligations) of the Issuer, its Subsidiaries or any Parent;

(2) in respect of moving related expenses Incurred in connection with any closing or consolidation of any facility or office; or

(3) not exceeding the greater of €5.0 million in the aggregate outstanding at any time.

"**Management Investors"** means (i) members of the management team of the Issuer or any Subsidiary who invest or commit to invest, directly or indirectly, in the Issuer, a Restricted Subsidiary or a Parent through a management equity program, (ii) persons who are or become members of the management team of the Issuer or the Issuer's Subsidiaries following the Issue Date and who invest, directly or indirectly, in a Parent, the Issuer or the Issuer's Subsidiaries through a management equity plan and (iii) any entity that may hold shares transferred by departing members of the management team of a Parent, the Issuer or the Issuer's Subsidiaries for future redistribution to the management team of the Issuer or the Issuer's Subsidiaries. For the avoidance of doubt, the expression "management team" shall include, but not be limited to, any managers, officers and (executive and non-executive) directors of a Parent, the Issuer or the Issuer's Subsidiaries.

"**Market Capitalization**" means an amount equal to (i) the total number of issued and outstanding shares of common stock or common equity interests of the IPO Entity on the date of the declaration of the relevant dividend or distribution or the making of the relevant loan or advance multiplied by (ii) the arithmetic mean of the closing prices per share of such common stock or common equity interests for the thirty (30) consecutive trading days immediately preceding the date of declaration of such dividend or distribution or the making of the relevant loan or advance.

“**Maturity**” means, with respect to any debt, the date on which any principal of such debt becomes due and payable as therein or herein provided, whether at the Stated Maturity with respect to such principal or by declaration of acceleration, call for redemption or purchase or otherwise.

“**Moody’s**” means Moody’s Investors Service, Inc. and its successors.

“**Nationally Recognized Statistical Rating Organization**” means a nationally recognized statistical rating organization within the meaning of Section 3(a)(62) of the Exchange Act.

“**Net Cash Proceeds**” means:

(a) with respect to any Asset Sale, the proceeds thereof in the form of cash or Cash Equivalents actually received (except to the extent that such obligations are financed or sold with recourse to the Issuer or any Restricted Subsidiary), net of:

  (i) brokerage commissions and other fees and expenses (including, without limitation, fees and expenses of legal counsel, accountants, investment banks and other consultants) related to such Asset Sale;

  (ii) provisions for all taxes paid or payable, or required to be accrued as a liability under IFRS as a result of such Asset Sale;

  (iii) all distributions and other payments required to be made to any Person (other than the Issuer or any Restricted Subsidiary) owning a beneficial interest in the assets subject to the Asset Sale; and

  (iv) appropriate amounts required to be provided by the Issuer or any Restricted Subsidiary, as the case may be, as a reserve in accordance with IFRS against any liabilities associated with such Asset Sale and retained by the Issuer or any Restricted Subsidiary, as the case may be, after such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations or potential purchase price adjustments associated with such Asset Sale, all as reflected in an Officer’s Certificate delivered to the Trustee; and

(b) with respect to any capital contributions, issuance or sale of Capital Stock or options, warrants or rights to purchase Capital Stock, or debt securities or Capital Stock that have been converted into or exchanged for Capital Stock as referred to under “*—Certain Covenants—Limitation on Restricted Payments*,” the proceeds of such issuance or sale in the form of cash or Cash Equivalents, payments in respect of deferred payment obligations when received in the form of, or stock or other assets when disposed of for, cash or Cash Equivalents (except to the extent that such obligations are financed or sold with recourse to the Issuer or any Restricted Subsidiary), net of attorney’s fees, accountant’s fees and brokerage, consultation, underwriting and other fees and expenses actually Incurred in connection with such issuance or sale and net of taxes paid or payable as a result of thereof.

“**New Term Loan**” has the meaning given to such term in the Offering Memorandum.

“**Officer**” means (a) with respect to the Issuer or any Guarantor, the Chairman of the Board, the Chief Executive Officer, the Chief Financial Officer, the Treasury Director, the General Counsel, the Secretary or a managing director (i) of such Person or (ii) if such Person is owned or managed by a single entity, of such entity, or (b) any other individual designated as an “Officer” for the purposes of the Indenture by the Board of Directors.

“**Officer’s Certificate**” means with respect to any Person a certificate signed by an Officer of such Person.

"**Parent**" means any Person of which the Issuer at any time is or becomes a Subsidiary after the Issue Date and any holding companies established for purposes of holding an investment in any Parent.

"***Pari Passu* Debt**" means Senior Debt including, without limitation, (a) any Debt of the Issuer that ranks equally in right of payment with the Notes or (b) with respect to any Guarantee, any Debt that ranks equally in right of payment to such Guarantee.

"**Permitted Asset Swap**" means the substantially concurrent purchase and sale or exchange of assets used or useful in a Permitted Business or a combination of such assets and Cash Equivalents between the Issuer or any of its Restricted Subsidiaries and another Person; provided, that any Cash Equivalents received must be applied in accordance with the covenant described under "*—Certain Covenants—Limitation on Asset Sales*."

"**Permitted Business**" means any businesses in which the Issuer or any of its Subsidiaries is engaged on the Issue Date, or that is similar, related, complementary, enhancing (in the reasonable opinion of the Issuer), incidental, ancillary thereto or an extension, development or expansion thereof.

"**Permitted Debt**" has the meaning given to such term under "*—Certain Covenants—Limitation on Debt*."

"**Permitted Investments**" means any of the following (in each case made by the Issuer or any of its Restricted Subsidiaries):

(a) Investments in cash or Cash Equivalents;

(b) intercompany Debt to the extent permitted under clause (d) of the definition of "Permitted Debt;"

(c) Investments in: (i) the Issuer; (ii) a Restricted Subsidiary (including the Capital Stock of a Restricted Subsidiary); or (iii) another Person (including the Capital Stock of such Person) if as a result of such Investment such other Person becomes a Restricted Subsidiary or such other Person is merged or consolidated or amalgamated with or into, or transfers or conveys all or substantially all of its assets to, or is liquidated into, the Issuer or a Restricted Subsidiary;

(d) Investments as a result of or retained in connection with an Asset Sale permitted under or made in compliance with *"—Certain Covenants—Limitation on Asset Sales*" to the extent such Investments are non-cash proceeds permitted thereunder;

(e) Investments (i) in payroll, travel, entertainment, moving, other relocation and similar advances to cover matters that are expected at the time of such advances to be treated as expenses in accordance with IFRS and (ii) Investments in the ordinary course of business consisting of endorsements for collection or deposit and customary trade arrangement with customers;

(f) Management Advances;

(g) Investments in the Notes, any Additional Notes and other Debt of the Issuer or any Restricted Subsidiary;

(h) Investments existing, or made pursuant to legally binding commitments in existence, at the Issue Date and any Investment that amends, extends, renews, replaces or refinances such Investment; *provided* that the amount of any such Investment may be increased (i) as required by the terms of such Investment as in existence on the Issue Date or (ii) as otherwise not prohibited under the Indenture;

(i) Investments in Hedging Agreements permitted under clause (2)(h) of "*—Certain Covenants—Limitation on Debt*;"

(j) Investments in a Person to the extent that the consideration therefor consists of the Issuer's Qualified Capital Stock or the net proceeds of the substantially concurrent issue and sale (other than to any Subsidiary) of shares of the Issuer's Qualified Capital Stock or Subordinated Shareholder Debt;

(k) any Investments received (i) in satisfaction of judgments, foreclosure, perfection or enforcement of any liens or settlement of debts, (ii) in compromise of obligations of such persons that were Incurred in the ordinary course of business, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer or (iii) in compromise or resolution of obligations of trade creditors or customers that were Incurred in the ordinary course of business of the Issuer or any of the Restricted Subsidiaries, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer; or (iv) litigation, arbitration or other disputes;

(l) any transaction to the extent constituting an Investment that is permitted and made in accordance with the provisions of clauses (a), (g), (h) and (i) of paragraph (2) of the covenant described under "*—Certain Covenants—Limitation on Transactions with Affiliates*;"

(m) lease, utility and workers' compensation, performance and other similar deposits made in the ordinary course of business;

(n) Investments consisting of purchases and acquisitions of inventory, supplies, trading stock, materials and equipment or licenses or leases of intellectual property, in any case, either in the ordinary course of business or in furtherance of a Permitted Business and, in either case, as not prohibited by the Indenture;

(o) guarantees permitted to be Incurred under the "*Limitation on Debt*" covenant and (other than with respect to, or given in connection with the Incurrence of, Debt) guarantees, keepwells and similar arrangements in the ordinary course of business;

(p) pledges or deposits with respect to leases or utilities provided to third parties in the ordinary course of business or liens otherwise described in the definition of "Permitted Liens" or made in connection with Liens permitted under the covenant "*Limitation on Liens*;"

(q) Bank Products;

(r) Investments acquired after the Issue Date as a result of the acquisition by the Issuer or any of the Restricted Subsidiaries of another Person, including by way of a merger, amalgamation or consolidation with or into the Issuer or any of the Restricted Subsidiaries in a transaction that is not prohibited by the covenant described above under the caption "*—Certain Covenants—Merger, Consolidation or Sale of Assets*" to the extent that such Investments were not made in contemplation of such acquisition, merger, amalgamation or consolidation and were in existence on the date of such acquisition, merger, amalgamation or consolidation;

(s) (i) Investments in receivables owing to the Issuer or any Restricted Subsidiary created or acquired in the ordinary course of business and (ii) advance payments made in relation to capital expenditures in the ordinary course of business;

(t) any acquisition of assets or Capital Stock solely in exchange for the issuance of the Issuer's Capital Stock (other than Redeemable Capital Stock);

(u) other Investments in any Person having an aggregate Fair Market Value (measured on the date each such Investment was made but net of any distributions, dividends payments or other returns in respect of such Investments), when taken together with all other Investments made pursuant to this clause (u) that are at the time outstanding, not to exceed the greater of €75.0 million and 2.2% of Total Assets; *provided* that, if an Investment is made pursuant to this clause (u) in a Person that is not a Restricted Subsidiary and such Person subsequently becomes a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary pursuant to the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*," such Investment shall thereafter be deemed to have been made pursuant to clause (c) of the definition of "Permitted Investments" and not this clause (u); and

(v) Investments in receivables made in connection with any Permitted Recourse Receivables Financing and Qualified Receivables Financing, including Investments held in accounts permitted or required by the arrangements governing such Permitted Recourse Receivables Financing or Qualified Receivables Financing or any related Debt.

"**Permitted Liens**" means the following types of Liens:

(a) Liens existing, provided for, required to be granted under or contemplated by written arrangements as of the Issue Date and as such written agreements may be replaced, renewed, extended, amended or novated;

(b) Liens on any property or assets of a Restricted Subsidiary granted in favor of the Issuer or any Restricted Subsidiary;

(c) Liens securing Debt (including Liens securing any obligations in respect thereof) consisting of the Notes or any Guarantee, as the case may be;

(d) any interest or title of a lessor under any lease or any Capitalized Lease Obligation;

(e) Liens to secure Capitalized Lease Obligations and Productive Asset Financings Incurred in compliance with the Indenture;

(f) Liens arising out of conditional sale, title retention (including prolonged or extended title retention), consignment, deferred payment, supply agreements or similar arrangements for the sale or purchase of goods entered into by the Issuer or any Restricted Subsidiary in the ordinary course of business;

(g) statutory Liens of landlords and carriers, warehousemen, mechanics, suppliers, materialmen, repairmen, employees, pension plan administrators or other like Liens arising in the ordinary course of the Issuer's or any Restricted Subsidiary's business and with respect to amounts not yet delinquent for more than 60 days or being contested in good faith by appropriate proceedings and for which a reserve or other appropriate provision, if any, as shall be required in conformity with IFRS shall have been made;

(h) Liens arising solely by virtue of any statutory or common law provisions relating to attorney's liens or bankers' liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a creditor depositary institution and liens arising under the general terms and conditions of financial institutions;

(i) Liens for taxes, assessments, government charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted and for which a reserve or other appropriate provision, if any, as shall be required in conformity with IFRS shall have been made;

(j) Liens Incurred or deposits made to secure the performance of tenders, bids or trade or government contracts, or to secure leases, statutory or regulatory obligations, trade contracts, surety or appeal bonds, performance bonds or other obligations of a like nature Incurred in the ordinary course of business or consistent with past practice;

(k) zoning restrictions, survey exceptions, easements, licenses, reservations, title defects, rights of others for rights-of-way, utilities, sewers, electrical lines, telephone lines, telegraph wires, restrictions, encroachments and other similar charges, encumbrances or title defects Incurred in the ordinary course of business that do not in the aggregate materially interfere with in any material respect the ordinary conduct of the business of the Issuer and its Restricted Subsidiaries on the properties subject thereto, taken as a whole;

(l) (a) mortgages, liens, security interests, restrictions, encumbrances or any other matters of record that have been placed by any developer, landlord or other third party on property over which the Issuer or any Restricted Subsidiary has easement rights or on any real property leased by the Issuer or any Restricted Subsidiary and subordination or similar agreements relating thereto and (b) any condemnation or eminent domain proceedings or compulsory purchase order affecting real property;

(m) Liens on property or assets under construction (and related rights) in favor of a contractor or developer or arising from progress or partial payments by a third party relating to such property or assets;

(n) Liens arising by reason of any judgment, decree or order of any court so long as such Lien is adequately bonded and any appropriate legal proceedings that may have been duly initiated for the review of such judgment, decree or order shall not have been finally terminated or the period within which such proceedings may be initiated shall not have expired;

(o) Liens on property of, or on shares of Capital Stock or Debt of, any Person existing at the time such Person is acquired by, merged with or into or consolidated with, the Issuer or any Restricted Subsidiary (or at the time the Issuer or a Restricted Subsidiary acquires such property, Capital Stock or Debt); *provided* that such Liens: (i) do not extend to or cover any property or assets of the Issuer or any Restricted Subsidiary other than the property or assets acquired or than those of the Person merged into or consolidated with the Issuer or Restricted Subsidiary; and (ii) were created prior to, and not in connection with or in contemplation of, such acquisition, merger, consolidation, amalgamation or other combination;

(p) Liens securing the Issuer's or any Restricted Subsidiary's obligations under Hedging Agreements permitted under clause (2)(h) "*—Certain Covenants—Limitation on Debt*" or any collateral for the Debt to which such Hedging Agreements relate;

(q) pledges, deposits or Liens (i) under workmen's compensation laws, unemployment insurance laws, social security laws or similar legislation or securing pension obligations, pension liabilities or partial retirement liabilities or any works council or similar agreement or arrangement in relation to part-time work or working-time accounts or other flexible work arrangements, or insurance related obligations (including pledges or deposits securing liability to insurance carriers under insurance or self-insurance arrangements), or (ii) in connection with bids, tenders, completion guarantees, contracts (other than for borrowed money) or leases, or to secure utilities, licenses, public or statutory obligations, or to secure surety, indemnity, judgment, appeal bonds, guarantees of government contracts (or other similar bonds, instruments or obligations), import or customs duties or for the payment of rent, or other obligations of like nature, in each case Incurred in the ordinary course of business (including Liens to secure letters of credit issued to assure payment of such obligations);

(r) Liens Incurred in connection with (a) Bank Products and (b) arising under general business conditions in the ordinary course of business, including without limitation the general business conditions of any bank orfinancial institution with whom the Issuer or any of its Restricted Subsidiaries maintains a banking relationship, and including Liens arising by reason of any treasury and/or cash management, cash pooling, netting or set-off arrangement or other banking or trading activities;

(s) Liens made to secure obligations arising from statutory, regulatory, contractual, or warranty requirements of the Issuer or any Restricted Subsidiary, including rights of offset and set-off;

(t) Liens on assets of a Restricted Subsidiary that is not a Guarantor to secure Debt of such Restricted Subsidiary (or any other Restricted Subsidiary that is not a Guarantor) and that is otherwise not prohibited under the Indenture;

(u) any extension, renewal or replacement, in whole or in part, of any Lien (excluding any Liens pursuant to clause (x) of this definition); *provided* that any such extension, renewal or replacement shall be no more restrictive in any material respect than the Lien so extended, renewed or replaced and shall not extend in any material respect to any additional property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof);

(v) Liens securing Debt Incurred to refinance Debt that has been secured by a Lien (excluding any Liens pursuant to clause (x) of this definition) permitted by the Indenture; *provided* that: (i) any such Lien shall not extend to or cover any assets of the type not securing the Debt so refinanced; and (ii) the Debt so refinanced shall have been permitted to be Incurred;

(w) purchase money Liens to finance property or assets of the Issuer or any Restricted Subsidiary acquired in the ordinary course of business; *provided* that: (i) the related purchase money Debt shall not exceed the cost of such property or assets and shall not be secured by any property or assets of the Issuer or any Restricted Subsidiary other than the property and assets so acquired; and (ii) the Lien securing such Debt shall be created within 90 days of any such acquisitions;

(x) Liens Incurred by the Issuer or any Restricted Subsidiary with respect to obligations that do not exceed the greater of €50.0 million and 1.5% of Total Assets;

(y) Liens resulting from escrow arrangements, including in respect of software or other intangible assets, entered into in connection with any type of disposition, including by way of license, of assets;

(z) any right of refusal, right of first offer, option or other arrangement to sell or otherwise dispose of an asset of the Issuer or any Restricted Subsidiary;

(aa) (a) leases, subleases, licenses, sublicenses and other conveyances of assets (including real property) entered into in the ordinary course of business and (b) Liens arising from Uniform Commercial Code financing statement filings (or similar filings in other applicable jurisdictions) regarding lease obligations entered into by the Issuer and the Restricted Subsidiaries that would be considered operating leases under IAS 17 (Leases);

(bb) any encumbrance or restriction (including, but not limited to, pursuant to put and call agreements or buy/ sell arrangements) with respect to Capital Stock of any joint venture or similar arrangement pursuant to any joint venture or similar agreement;

(cc) Liens (including put and call arrangements) on Capital Stock, Debt or other securities of an Unrestricted Subsidiary or a joint venture that is not a Subsidiary of the Issuer that secure Debt or other obligations of such Unrestricted Subsidiary or joint venture respectively;

(dd) Liens on insurance policies and proceeds thereof, or other deposits, to secure insurance premium financings;

(ee) (a) Liens on cash, Cash Equivalents or other property arising in connection with the defeasance, discharge or redemption of Debt and (b) Liens on Escrowed Proceeds for the benefit of the related holders of debt securities or other Debt (or the underwriters or arrangers thereof) or on cash set aside at the time of the incurrence of any Debt or government securities purchased with such cash, in either case to the extent such cash or government securities prefund the payment of interest on such Debt and are held in escrow accounts or similar arrangement to be applied for such purpose; and (ff) Liens on receivables and other assets of the type described in the definition of (i) "Qualified Receivables Financing" Incurred in connection with a Qualified Receivables Financing and (ii) "Permitted Recourse Receivables Financing" Incurred in connection with a Incurred in connection with a Permitted Recourse Receivables Financing.

For purposes of determining compliance with this definition, (i) a Lien need not be Incurred solely by reference to one category of Permitted Liens described in this definition but may be Incurred under any combination of such categories (including in part under one such category and in part under any other such category), (ii) in the event that a Lien (or any portion thereof) meets the criteria of one or more of such categories of Permitted Liens, the Issuer shall, in its sole discretion, classify or reclassify such Lien (or any portion thereof) in any manner that complies with this definition, (iii) the principal amount of Debt secured by a Lien outstanding under any category of Permitted Liens shall be determined after giving effect to the application of proceeds of any such Debt to refinance any such other Debt, (iv) any Lien securing Debt that was permitted to secure such Debt at the time of the Incurrence of such Debt shall also be permitted to secure any increase in the amount of such Debt in connection with the accrual of interest and the accretion of accreted value, (v) if any Debt or other obligation is secured by any Lien outstanding under any category of Permitted Liens measured by reference to a percentage of Total Assets at the time of Incurrence of such Debt or other obligations, and is refinanced by any Debt or other obligation secured by any Lien Incurred by reference to such category of Permitted Liens, and such refinancing would cause the percentage of Total Assets to be exceeded if calculated based on the Total Assets on the date of such refinancing, such percentage of Total Assets shall not be deemed to be exceeded (and such refinancing Lien shall be deemed permitted) so long as the principal amount of such refinancing Debt or other obligation does not exceed an amount equal to the principal amount of such Debt or other obligation being refinanced, plus the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses (including accrued and unpaid interest) Incurred or payable in connection with such refinancing, (vi) if any Debt or other obligation is secured by any Lien outstanding under any category of Permitted Liens measured by reference to an amount in euro, and is refinanced by any Debt or other obligation secured by any Lien Incurred by reference to such category of Permitted Liens, and such refinancing would cause such euro amount to be exceeded, such euro amount shall not be deemed to be exceeded (and such refinancing Lien shall be deemed permitted) so long as the principal amount of such refinancing Debt or other obligation does not exceed an amount equal to the principal amount of such Debt being refinanced, plus the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses (including accrued and unpaid interest) Incurred or payable in connection with such refinancing and (vii) if any Debt or other obligation is secured by any Lien outstanding under any category of Permitted Liens measured by reference to an amount in euro, and is refinanced by any Debt or other obligation secured by any Lien Incurred by reference to such category of Permitted Liens, and such refinancing would cause such euro amount to be exceeded, such euro amount shall not be deemed to be exceeded (and such refinancing Lien shall be deemed permitted) so long as the principal amount of such refinancing Debt or other obligation does not exceed an amount equal to the principal amount of such Debt being refinanced, plus the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses (including accrued and unpaid interest) Incurred or payable in connection with such refinancing.

"**Permitted Refinancing Debt**" means any renewals, extensions, substitutions, defeasances, discharges, refinancings, exchanges or replacements (each, for purposes of this definition and paragraph (2) of "*—Certain Covenants—Limitation on Debt*," a "refinancing") of any Debt of the Issuer or a Restricted Subsidiary or pursuant to this definition, including any successive refinancings, as long as:

(a) such Debt is in an aggregate principal amount (or if Incurred with original issue discount, an aggregate issue price) not in excess of the sum of: (i) the aggregate principal amount (or if Incurred with original issue discount, the aggregate accreted value) then outstanding of the Debt being refinanced; and (ii) an amount necessary to pay any fees and expenses, including premiums and defeasance costs, related to such refinancing;

(b) if the Debt being refinanced is Subordinated Debt, the Stated Maturity of such Debt is no earlier than the Stated Maturity of the Debt being refinanced or, if shorter, the Stated Maturity of the Notes; and

(c) if the Debt being renewed, extended, substituted, defeased, discharged, refinanced or replaced is subordinated in right of payment to the Notes or any Guarantee (as applicable), such Permitted Refinancing Debt is subordinated in right of payment to, the Notes or any Guarantee (as applicable) on terms at least as favorable to the Holders of Notes as those contained in the documentation governing the Debt being renewed, extended, substituted, defeased, discharged, refinanced or replaced;

provided, however, that Permitted Refinancing Debt shall not include (x) Debt of the Issuer or a Restricted Subsidiary that refinances Debt of an Unrestricted Subsidiary and (y) Debt of a Restricted Subsidiary that is not a Guarantor that refinances Debt of the Issuer, the Issuer or a Guarantor.

Permitted Refinancing Debt in respect of any Credit Facility or any other Debt may be Incurred from time to time after the termination, discharge or repayment of any such Credit Facility or other Debt.

"**Permitted Recourse Receivables Financing**" means any financing other than a Qualified Receivables Financing pursuant to which the Issuer or any of its Restricted Subsidiaries may sell, convey or otherwise transfer to any other Person, or grant a security interest in, any Securitization Assets (and related assets) of the Issuer or any of its Restricted Subsidiaries in an aggregate principal amount equal to the Fair Market Value of such Securitization Assets (and related assets); *provided* that (a) the covenants, events of default and other provisions applicable to such financing shall be on market terms (as determined in good faith by the Issuer's Board of Directors or senior management) at the time such financing is entered into and (b) the interest rate applicable to such financing shall be a market interest rate (as determined in good faith by the Issuer's Board of Directors or senior management) at the time such financing is entered into.

"**Permitted Reorganization**" means any amalgamation, demerger, merger, voluntary liquidation, consolidation, reorganization, winding up or corporate reconstruction involving any Parent, the Issuer or any of its Restricted Subsidiaries (a "**Reorganization**") that is made on a solvent basis, including where a Restricted Subsidiary becomes the new holding company of the Group, the Issuer becomes a Subsidiary thereof and such new holding company is subsequently deemed to be the "Parent" under the Indenture; *provided* that:

(a) any payments or assets distributed in connection with such Reorganization remain within the Issuer and its Restricted Subsidiaries; and

(b) if any of the Guarantees are released pursuant to "*—Guarantees—Release of the Guarantees*," substantially equivalent Guarantees must be granted by a surviving entity, if any.

"**Person**" means any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"**Preferred Stock**" means, with respect to any Person, Capital Stock of any class or classes (however designated) of such Person that is preferred as to the payment of dividends or distributions, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over the Capital Stock of any other class of such Person, whether now outstanding or issued after the Issue Date and including, without limitation, all classes and series of preferred or preference stock of such Person.

"***pro forma***" means, with respect to any calculation made or required to be made pursuant to the terms of the Notes, a calculation made in good faith by the Issuer's Chief Financial Officer.

"**Property**" means, with respect to any Person, any interest of such Person in any kind of property or asset, whether real, personal or mixed, or tangible or intangible, including Capital Stock and other securities of, any other Person. For purposes of any calculation required pursuant to the Indenture, the value of any Property shall be its Fair Market Value.

"**Public Debt**" means any Debt consisting of bonds, debentures, notes or other similar debt securities issued in (1) a public offering registered under the Securities Act or (2) a private placement to institutional investors that is underwritten for resale in accordance with Rule 144A or Regulation S under the Securities Act, whether or not it includes registration rights entitling the holders of such debt securities to registration thereof with the Commission for public resale. The term "Public Debt" shall not include (i) the Notes, (ii) any Debt issued to institutional investors in a direct placement of such Debt that is not underwritten by an intermediary (it being understood that, without limiting the foregoing, a financing that is distributed to not more than ten Persons (*provided* that multiple managed accounts and affiliates of any such Persons shall be treated as one Person for the purposes of this definition) shall be deemed not underwritten), (iii) any bank Debt, commercial bank or similar Debt, Capitalized Lease Obligation or recourse transfer of any financial asset or (iv) any other type of Debt Incurred in a manner not customarily viewed as a "securities offering."

"**Qualified Capital Stock**" of any Person means any and all Capital Stock of such Person other than Redeemable Capital Stock.

"**Qualified Joint Venture**" means a joint venture in which the Issuer or any of its Restricted Subsidiaries has a direct or indirect ownership interest and that is engaged in a Permitted Business and that is not a Subsidiary of (i) the Issuer or (ii) any of the Restricted Subsidiaries.

"**Qualified Receivables Financing**" means any transaction or series of transactions that may be entered into by the Issuer or any of its Restricted Subsidiaries pursuant to which the Issuer or any of its Restricted Subsidiaries may sell, convey or otherwise transfer to (a) a Receivables Subsidiary or (b) any other Person, or may grant a security interest in, any receivables (whether now existing or arising in the future) of the Issuer or any of its Restricted Subsidiaries, and any assets related thereto including, without limitation, all contracts and all guarantees or other obligations in respect of such accounts receivable, the proceeds of such receivables, the bank accounts into which the proceeds of such receivables are collected and other assets which are customarily transferred, or in respect of which security interests are customarily granted, in connection with asset securitizations, receivable sale facilities, factoring facilities or invoice discounting facilities involving receivables; *provided* that the Board of Directors will have determined in good faith that such Qualified Receivables Financing (including financing terms, covenants, termination events and other provisions) is in the aggregate economically fair and reasonable to the Issuer and the applicable Restricted Subsidiary or Receivables Subsidiary.

"**Receivables Fees**" means distributions or payments made directly or by means of discounts with respect to any participation interest issued or sold in connection with, and other fees paid to a Person that is not a Restricted Subsidiary in connection with, any Qualified Receivables Financing.

"**Receivables Repurchase Obligation**" means any obligation of a seller of receivables in a Qualified Receivables Financing to repurchase receivables arising as a result of a breach of a representation, warranty or covenant or otherwise, including as a result of a receivable or portion thereof becoming subject to any asserted defense, dispute, off-set or counterclaim of any kind as a result of any action taken by, any failure to take action by or any other event relating to the seller.

"**Receivables Subsidiary**" means a wholly owned Subsidiary of the Issuer (or another Person formed for the purposes of engaging in a Qualified Receivables Financing with the Issuer in which the Issuer or any Subsidiary of the Issuer makes an Investment and to which the Issuer or any Subsidiary of the Issuer transfers accounts receivable and related assets) which engages in no activities other than in connection with the financing of accounts receivable of the Issuer and its Subsidiaries, all proceeds thereof and all rights (contractual or other), collateral and other assets relating thereto, and any business or activities incidental or related to such business, and which is designated by the Board of Directors (as provided below) as a Receivables Subsidiary and:

(1) no portion of the Debt or any other obligations (contingent or otherwise) of which (a) is guaranteed by the Issuer or any Restricted Subsidiary (excluding guarantees of obligations (other than the principal of, and interest on, Debt) pursuant to Standard Securitization Undertakings), (b) is subject to terms that are substantially equivalent in effect to a guarantee of any losses on securitized or sold receivables by the Issuer or any Restricted Subsidiary, (c) is recourse to or obligates the Issuer or any Restricted Subsidiary in any way other than pursuant to Standard Securitization Undertakings, or (d) subjects any property or asset of the Issuer or any Restricted Subsidiary, directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings;

(2) with which neither the Issuer nor any Restricted Subsidiary of the Issuer has any material contract, agreement, arrangement or understanding (except in connection with a Qualified Receivables Financing) other than on terms which the Issuer reasonably believes to be no less favorable to the Issuer or such Restricted Subsidiary than those that might be obtained at the time from Persons that are not Affiliates of the Issuer; and

(3) to which neither the Issuer nor any Restricted Subsidiary of the Issuer has any obligation to maintain or preserve such entity's financial condition or cause such entity to achieve certain levels of operating results.

Any such designation by the Board of Directors shall be evidenced to the Trustee by filing with the Trustee a copy of the resolution of the Board of Directors giving effect to such designation and an Officer's Certificate certifying that such designation complied with the foregoing conditions.

"**Redeemable Capital Stock**" means any class or series of Capital Stock that, either by its terms, by the terms of any security into which it is convertible or exchangeable or by contract or otherwise, is, or upon the happening of an event or passage of time would be, required to be redeemed prior to the final Stated Maturity of the Notes or is redeemable at the option of the Holder thereof at any time prior to such final Stated Maturity (other than upon a change of control of the Issuer in circumstances in which the Holders of the Notes would have similar rights), or is convertible into or exchangeable for debt securities at any time prior to such final Stated Maturity; *provided* that any Capital Stock that would constitute Qualified Capital Stock but for provisions thereof giving holders thereof the right to require such Person to repurchase or redeem such Capital Stock upon the occurrence of any "asset sale" or "change of control" occurring prior to the Stated Maturity of the Notes will not constitute Redeemable Capital Stock if the "asset sale" or "change of control" provisions applicable to such Capital Stock are no more favorable to the holders of such Capital Stock than the provisions contained in "*—Certain Covenants—Limitation on Asset Sales*" and "*—Certain Covenants—Change of Control*" and such Capital Stock specifically provides that such Person will not repurchase or redeem any such stock pursuant to such provision prior to the Issuer's repurchase of such Notes as are required to be repurchased pursuant to "*—Certain Covenants—Limitation on Asset Sales*" and "*—Certain Covenants—Change of Control*."

"**Replacement Assets**" means (i) non-current properties and assets (including Capital Stock of a Person that is or becomes a Restricted Subsidiary and such Restricted Subsidiary's property, business or assets are used or useful in a Permitted Business or any and all businesses that in the good faith judgment of the Board of Directors of the Issuer are reasonably related) that replace the properties and assets that were the subject of an Asset

Sale, or (ii) non-current properties and assets that are used or useful in a Permitted Business or any and all businesses that in the good faith judgment of the Board of Directors of the Issuer are reasonably related.

“**Restricted Investment**” means an Investment other than a Permitted Investment.

“**Restricted Subsidiary**” means any Subsidiary of the Issuer other than an Unrestricted Subsidiary.

“**Revolving Credit Facility**” means the revolving credit facility provided under the Senior Facilities Agreement.

“**S&P**” means Standard and Poor’s Ratings Service, a division of The McGraw-Hill Companies, Inc. and its successors.

“**Securities Act**” means the U. S. Securities Act of 1933, as amended, or any successor statute, and the rules and regulations promulgated by the Commission thereunder.

“**Securitization Asset**” means (1) any accounts receivable, mortgage receivables, loan receivables, royalty, franchise fee, license fee, patent, rent or other revenue streams and other rights to payment or related assets and the proceeds thereof and (2) all collateral securing such receivable or asset, all contracts and contract rights, guarantees or other obligations in respect of such receivable or asset, lockbox accounts and records with respect to such account or asset and any other assets customarily transferred (or in respect of which security interests are customarily granted) together with accounts or assets in connection with a securitization, factoring or receivable sale transaction.

“**Senior Debt**” means (i) any Debt of the Issuer or any Guarantor that is either secured or not Subordinated Debt and (ii) any Debt of a Restricted Subsidiary of the Issuer that is not a Guarantor or the Issuer other than Debt Incurred pursuant to clause (2)(d) of the covenant described under the heading “*—Certain Covenants—Limitation on Debt*.”

“**Senior Facilities Agreement**” has the meaning given to such term in the Offering Memorandum.

“**Significant Subsidiary**” means any Restricted Subsidiary with proportionate share of the Consolidated EBITDA exceeding 5% of the Consolidated EBITDA of the Issuer on a consolidated basis for the most recently completed fiscal year.

“**Special Purpose Vehicle**” means an entity established by the Issuer or any Parent for the purposes of maintaining an equity incentive or compensation plan for Management Investors.

“**Standard Securitization Undertakings**” means representations, warranties, covenants, indemnities and guarantees of performance entered into by the Issuer or any Subsidiary of the Issuer which the Issuer has determined in good faith to be customary in a Qualified Receivables Financing, including those relating to the servicing of the assets of a Receivables Subsidiary, it being understood that any Receivables Repurchase Obligation shall be deemed to be a Standard Securitization Undertaking.

“**Stated Maturity**” means, when used with respect to any Note or any instalment of interest thereon, the date specified in such Note as the fixed date on which the principal of such Note or such instalment of interest, respectively, is due and payable, and, when used with respect to any other debt, means the date specified in the instrument governing such debt as the fixed date on which the principal of such debt, or any instalment of interest thereon, is due and payable.

“**Subordinated Debt**” means Debt of the Issuer or any of the Guarantors that is expressly subordinated in right of payment to the Notes or the Guarantee of such Guarantors, as the case may be.

"**Subordinated Shareholder Debt**" means, collectively, any funds provided to the Issuer by any direct or indirect Parent of the Issuer, or Affiliate of such Parent, pursuant to any security, instrument or agreement, other than Capital Stock, that pursuant to its terms:

(a) does not (including upon the happening of any event) mature or require any amortization or other payment of principal prior the first anniversary of the maturity of the Notes (other than through conversion or exchange of any such security or instrument for Qualified Capital Stock or for any other security or instrument meeting the requirements of the definition);

(b) does not (including upon the happening of any event) require the payment in cash or otherwise, of interest or any other amounts prior to the first anniversary of the maturity of the Notes (*provided* that interest may accrete while such Subordinated Shareholder Debt is outstanding and accretion interest may become due upon maturity as permitted by clause (a) or acceleration of maturity as permitted by clause (c) below and any interest may be satisfied at any time by the issue to the holders thereof of additional Subordinated Shareholder Debt);

(c) does not (including upon the happening of any event) provide for the acceleration of its maturity and its holders have no right (including upon the happening of any event) to declare a default or event of default or take any enforcement action, prior to the first anniversary of the maturity of the Notes;

(d) is not secured by a Lien or any assets of the Issuer or a Restricted Subsidiary and is not guaranteed by any Subsidiary of the Issuer;

(e) is contractually subordinated and junior in right of payment to the prior payment in full in cash of all obligations (including principal, interest, premium (if any) and Additional Amounts (if any)) of the Issuer under the Notes and the Guarantors under the Guarantees; and

(f) is not (including upon the happening of any event) mandatorily convertible or exchangeable, or convertible or exchangeable at the option of the holder, in whole or in part, prior to the date on which the Notes mature other than into or for Qualified Capital Stock of the Issuer;

provided that in any event or circumstance that results in such Debt ceasing to qualify as Subordinated Shareholder Debt, such Debt shall constitute an Incurrence of such Debt by the Issuer, and any and all Restricted Payments made through the use of the net proceeds from the Incurrence of such Debt since the date of the original issuance of such Subordinated Shareholder Debt shall constitute new Restricted Payments that are deemed to have been made after the date of the original issuance of such Subordinated Shareholder Debt.

"**Subsidiary**" means, with respect to any Person:

(a) a corporation a majority of whose Voting Stock is at the time, directly or indirectly, owned by such Person, by one or more Subsidiaries of such Person or by such Person and one or more Subsidiaries of such Person; and

(b) any other Person (other than a corporation), including, without limitation, a partnership, limited liability company, business trust or joint venture, in which such Person, one or more Subsidiaries of such Person or such Person and one or more Subsidiaries thereof, directly or indirectly, at the date of determination thereof, has at least majority ownership interest entitled to vote (including by way of shareholders agreement) in the election of directors, managers or trustees thereof (or other Person performing similar functions).

"**Successor Parent**" with respect to any Person means any other Person with more than 50% of the total voting power of the Voting Stock of which is, at the time the first Person becomes a Subsidiary of such other Person, "beneficially owned" (as defined below) by one or more Persons that "beneficially owned" (as defined below) more than 50% of the total voting power of the Voting Stock of the first Person immediately prior to the first Person becoming a Subsidiary of such other Person. For purposes hereof, "beneficially own" has the meaning correlative to the term "beneficial owner," as such term is defined in Rules 13d-3 and 13d-5 under the Exchange Act (as in effect on the Issue Date).

"**TARGET Settlement Day**" means any day on which the Trans European Automated Real Time Gross Settlement Express Transfer (TARGET) System is open.

"**Tax Sharing Agreement**" means any tax consolidation agreement or any similar arrangements in respect of any consolidated, combined, affiliated or unitary tax group or an arrangement relating to the surrender of group relief to which the Issuer or any of the Restricted Subsidiaries is a party.

"**Total Assets**" means the consolidated total assets of the Issuer and its Restricted Subsidiaries, as shown on the most recent balance sheet of the Issuer, after giving *pro forma* effect to any acquisition, merger, amalgamation, consolidation or Investment, as determined in good faith by a responsible financial or accounting Officer of the Issuer.

"**Transactions**" means the Offering and the use of proceeds therefrom, the entry into the Senior Facilities Agreement and the drawing under the New Term Loan as described in the Offering Memorandum.

"**Uniform Commercial Code**" means the New York Uniform Commercial Code.

"**Unrestricted Subsidiary**" means any Subsidiary of the Issuer that at the time of determination is an Unrestricted Subsidiary (as designated by the Issuer's Board of Directors pursuant to the covenant under the caption "*—Certain Covenants—Designation of Unrestricted and Restricted Subsidiaries*") and any Subsidiary thereof.

"**Voting Stock**" means any class or classes of Capital Stock pursuant to which the holders thereof have the general voting power under ordinary circumstances to elect at least a majority of the Board of Directors, managers or trustees (or Persons performing similar functions) of any Person (irrespective of whether or not, at the time, stock of any other class or classes shall have, or might have, voting power by reason of the happening of any contingency).

BOOK-ENTRY, DELIVERY AND FORM

The Notes will be issued only in registered form and in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof.

The Notes are being sold outside the United States in reliance on Regulation S ("**Regulation S**") under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") and will be represented on issue by one or more permanent global notes that will represent the aggregate principal amount of the Notes (the "**Global Notes**").

The Global Notes will be deposited with, and registered in the name of a nominee for the common depositary for, Euroclear Bank SA/NV, ("**Euroclear**") and Clearstream S.A. ("**Clearstream**"). Beneficial interests in the Global Notes may be held only through Euroclear or Clearstream or their participants at any time. See "*Plan of Distribution*."

Beneficial interests in the Global Notes will be subject to certain restrictions on transfer set out therein and under "*Plan of Distribution*" and in the Indenture.

Except in the limited circumstances described below (see "*—Exchange of Global Notes for Definitive Notes*"), owners of beneficial interests in the Global Notes will not be entitled to receive physical delivery of Notes.

For so long as any of the Notes are represented by a Global Note, each person (other than another clearing system) who is for the time being shown in the records of Euroclear or Clearstream (as the case may be) as the holder of a particular aggregate principal amount of such Notes (each an "**Accountholder**") (in which regard any certificate or other document issued by Euroclear or Clearstream (as the case may be) as to the aggregate principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes) shall be treated as the holder of such aggregate principal amount of such Notes (and the expression "Noteholders" and references to "holding of Notes" and to "holder of Notes" shall be construed accordingly) for all purposes other than with respect to payments on such Notes, the right to which shall be vested solely in the nominee for the relevant clearing system (the "**Relevant Nominee**") in accordance with and subject to the terms of the applicable Global Note. Each Accountholder must look solely to Euroclear or Clearstream, as the case may be, for its share of each payment made to the Relevant Nominee.

The Notes will be subject to certain transfer restrictions and certification requirements as described under "*Plan of Distribution*."

Depository Procedures

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear or Clearstream (together, the "**Clearing Systems**") currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuer believes to be reliable, but none of the Issuer, or the Initial Purchasers takes any responsibility for the accuracy of this section. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer and any other party to the Indenture will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Clearing Systems

Euroclear and Clearstream

Euroclear and Clearstream each hold securities for their customers and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream also deal with domestic securities markets in several countries through established depositary and custodial relationships. Euroclear and Clearstream have established an electronic bridge between their two systems across which their respective participants may settle trades with each other. Euroclear and Clearstream customers are worldwide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

Registration and Form

Book-entry interests in the Notes held through Euroclear and Clearstream will be represented by one or more Global Notes registered in the name of a nominee of, and held by, a common depositary for Euroclear and Clearstream.

As necessary, the Registrar will adjust the amounts of Notes on the register for the accounts of Euroclear and Clearstream to reflect the amounts of Notes held through Euroclear and Clearstream, respectively. Beneficial ownership of book-entry interests in Notes will be held through financial institutions as direct and indirect participants in Euroclear and Clearstream.

The aggregate holdings of book-entry interests in the Notes in Euroclear and Clearstream will be reflected in the book-entry accounts of each such institution. Euroclear or Clearstream, as the case may be, and every other intermediate holder in the chain to the beneficial owner of book-entry interests in the Notes will be responsible for establishing and maintaining accounts for their participants and customers having interests in the book-entry interests in the Notes. The Registrar will be responsible for maintaining a record of the aggregate holdings of Notes registered in the name of a common nominee for Euroclear and Clearstream and/or, if individual Certificates are issued in the limited circumstances described herein, holders of Notes represented by those individual Certificates. The Paying Agent will be responsible for ensuring that payments received by it from or on behalf of the Issuer for holders of book-entry interests in the Notes holding through Euroclear and Clearstream are credited to Euroclear or Clearstream, as the case may be.

The Issuer will not impose any fees in respect of holding the Notes; however, holders of book-entry interests in the Notes may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear or Clearstream.

Clearing and Settlement Procedures

Initial Settlement

Upon their original issue, the Notes will be in global form represented by one or more Global Notes.

Interests in the Notes will be in uncertified book-entry form. Purchasers electing to hold book-entry interests in the Notes through Euroclear and Clearstream accounts will follow the settlement procedures applicable to conventional Eurobonds. Book-entry interests in the Notes will be credited to Euroclear and Clearstream participants' securities clearance accounts on the business day following the Issue Date against payment (value the Issue Date).

Secondary Market Trading

Secondary market trades in the Notes will be settled by transfer of title to book-entry interests in the Clearing Systems. Title to such book-entry interests will pass by registration of the transfer within the records of Euroclear or Clearstream, as the case may be, in accordance with their respective procedures. Book-entry interests in the Notes may be transferred within Euroclear and within Clearstream and between Euroclear and Clearstream in accordance with procedures established for these purposes by Euroclear and Clearstream.

General

None of Euroclear or Clearstream is under any obligation to perform or continue to perform the procedures referred to above, and such procedures may be discontinued at any time. None of the Issuer or any of its agents will have any responsibility for the performance by Euroclear or Clearstream or their respective participants of their respective obligations under the rules and procedures governing their operations or the arrangements referred to above.

Exchange of Global Notes for Definitive Notes

The Global Notes are exchangeable for Notes in registered definitive form ("**Definitive Notes**") if:

- Euroclear and/or Clearstream is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces that it is permanently to cease business or does in fact do so and no successor or alternative clearing system is available; or
- the relevant clearing system so requests following an Event of Default under the Indenture.

In all cases, Definitive Notes delivered in exchange for any Global Note or beneficial interests therein will be registered in the names, and issued in any approved denominations, requested by or on behalf of the relevant clearing system (in accordance with its customary procedures), as the case may be unless the Issuer determines otherwise in compliance with the requirements of the Indenture.

Definitive Notes delivered in exchange for Global Notes will be delivered to or upon the order of the relevant clearing system or an authorized representative of the relevant clearing system, and may be delivered to Noteholders at the office of the Paying Agent.

Exchange of Definitive Notes for Global Notes

If issued, Definitive Notes may not be exchanged or transferred for beneficial interests in a Global Note.

Exchange of Definitive Notes for Definitive Notes

If issued, Definitive Notes may be exchanged or transferred by presenting or surrendering such Definitive Notes at the office of the Registrar with a written instrument of transfer in form satisfactory to the Registrar, duly executed by the holder of the Definitive Notes or by its attorney, duly authorized in writing. If the Definitive Notes being exchanged or transferred have restrictive legends, such holder must also provide a written certificate (in the form provided in the Indenture) to the effect that such exchange or transfer will comply with the appropriate transfer restrictions applicable to such Notes. See "*Plan of Distribution*."

In the case of a transfer in part of a Definitive Note, a new Definitive Note in respect of the balance of the principal amount of the Definitive Note not transferred will be delivered to the office of the Registrar.

If a holder of a Definitive Note claims that such Definitive Note has been lost, destroyed or stolen, or if such Definitive Note is mutilated and is surrendered to the office of the relevant Registrar, the Issuer will issue, and the Registrar will authenticate, a replacement Definitive Note if the Issuer's requirements are met. The Issuer may require a holder requesting replacement of a Definitive Note to furnish such security or indemnity as may be required to protect them and any agent from any loss which they may suffer if a Definitive Note is replaced. The Issuer may charge for any expenses incurred by it in replacing a Definitive Note. In case any such mutilated, destroyed, lost or stolen Definitive Note has become or is about to become due and payable, the Issuer, in its discretion, may, instead of issuing a new Definitive Note, pay such Definitive Note.

Methods of Receiving Payments on the Notes

Payments of principal and interest in respect of Notes represented by a Global Note will be made upon presentation or, if no further payment falls to be made in respect of the Notes, against presentation and surrender of such Regulation S Global Certificate to or to the order of a Paying Agent (or such other agent as shall have been notified to the holders of the Global Notes for such purpose).

Distributions of amounts with respect to book-entry interests in the Global Notes held through Euroclear or Clearstream will be credited, to the extent received by a Paying Agent, to the cash accounts of Euroclear or Clearstream participants in accordance with the relevant system's rules and procedures.

Principal of, premium, if any, and interest on any Definitive Notes will be payable at the office or agency of the Paying Agent maintained for such purposes. In addition, interest on Definitive Notes may be paid by check mailed to the person entitled thereto as shown on the register for such Definitive Notes.

Action by Owners of Book Entry Interests

Euroclear and Clearstream have advised us that they will take any action permitted to be taken by a holder of the Notes (including the presentation of the Notes for exchange as described above) only at the direction of one or more participants to whose account the book entry interests in the Global Notes are credited and only in respect of such portion of the aggregate principal amount of the Notes as to which such participant or participants has or have given such direction. Euroclear and Clearstream will not exercise any discretion in the granting of consents, waivers or the taking of any other action in respect of the Global Note. However, if there is an Event of Default under the Notes, Euroclear and Clearstream reserve the right to exchange Global Notes for Definitive Notes in certificated form, and to distribute such Definitive Notes to their participants.

CERTAIN FRENCH TAX CONSIDERATIONS

The following is a summary of certain French withholding tax considerations pertaining to the ownership of the Notes by a holder of the Notes that is (i) not a shareholder of the Issuer and (ii) not related to the Issuer within the meaning of Article 39.12 of the French Tax Code. Comments which are included therein are reported only for information purposes and do not aim at giving a complete analysis of the tax rules that may affect the Issuer of the Notes or the investors.

This summary is based on the provisions of French tax laws and regulations, as in force and applied by the French tax authorities on the date of this Offering Memorandum, all of which are subject to change, possibly with retrospective effect, or to different interpretations. Accordingly, no opinion is expressed herein with regard to any system of law other than the laws of France as applied by French courts as of the date of this Offering Memorandum. Any investor contemplating to acquire the Notes should therefore consult its own tax adviser about the tax consequences that may arise for it as a result of the acquisition, the ownership, the disposal or the redemption of the Notes.

Article 1649 AC of the French Tax Code imposes on financial institutions within the meaning of Article 1 of Decree n° 2016-1683 to review and collect information on their clients and investors, in order to identify their tax residence, as well as to provide certain account information to relevant foreign tax authorities (via the French tax authorities) on an annual basis.

Withholding Taxes on Payments Made Outside France

Payments of interest and assimilated revenues made by the Issuer with respect to the Notes, as applicable, will not be subject to the withholding tax set out under Article 125 A III of the French Tax Code unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French Tax Code (a "**Non-Cooperative State**") other than those States or territories mentioned in 2° of 2 *bis* of the same Article 238-0 A, irrespective of the holder's fiscal domicile or registered headquarters. If such payments are made outside France in a Non-Cooperative State other than those States or territories mentioned in 2° of 2 *bis* of Article 238-0 A of the French Tax Code, a 75% withholding tax is applicable to such payments (subject to certain exceptions and to more favorable provisions of an applicable double tax treaty) by virtue of Article 125 A III of the French Tax Code. The list of Non-Cooperative States is published by a ministerial executive order (*arrêté*) which is updated each year.

Furthermore, according to the third and fourth paragraphs of Article 238 A of the French Tax Code, interest and assimilated revenues with respect to the Notes will not be deductible from the Issuer's taxable income if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid on an account held in a financial institution established in such a Non-Cooperative State (the "**Deductibility Exclusion**"). Under certain conditions, any such non-deductible interest and assimilated revenues may be re-characterized as constructive dividends pursuant to Articles 109 *et seq.* of the French Tax Code, in which case they may be subject to the withholding tax set out under Article 119 *bis* 2 of the French Tax Code, at (i) the standard corporate income tax rate set forth in the first sentence of the second paragraph of Article 219-I of the French Tax Code (i.e. 26.5% for fiscal years beginning as from January 1, 2021 and 25% for fiscal years beginning as from January 1, 2022) for payments benefiting legal persons who are not French tax residents, (ii) a rate of 12.8% for payments benefiting individuals who are not French tax residents or (iii) a rate of 75% for payments made outside France in a Non-Cooperative State other than those mentioned in 2° of 2 *bis* of Article 238-0 A of the French Tax Code (in each case subject to certain exceptions and to more favorable provisions of an applicable double tax treaty).

Notwithstanding the foregoing, neither the 75% withholding tax set out under Article 125 A III of the French Tax Code nor, to the extent that the relevant interest and assimilated revenues relate to genuine transactions and are not in an abnormal or exaggerated amount, the Deductibility Exclusion and the related withholding tax set out under Article 119 *bis* 2 of the French Tax Code that may be levied as a result of such Deductibility Exclusion will apply in respect of the Notes if the Issuer can prove that the main purpose and effect of the issue of the Notes was not that of locating the interest and assimilated revenues in a Non-Cooperative State (the "**Exception**"). Pursuant to the administrative guidelines published by the French tax authorities regarding this legislation (BOI-INT-DG-20-50-30 dated February 24, 2021, § 150 and BOI-INT-DG-20-50-20 dated February 24, 2021, § 290 (the "**BOFIP**")), the Notes will benefit from the Exception without the Issuer having to provide any evidence supporting the main purpose and effect of the issue of the Notes, and accordingly will be able to automatically benefit from the Exception (the "**Safe Harbor**"), if the Notes are:

- offered by means of a public offering within the meaning of Article L.411-1 of the French Monetary and Financial Code for which the publication of a prospectus is mandatory or pursuant to an equivalent offer in a state other than a Non-Cooperative State (for this purpose, an "equivalent offering" means any offering requiring the registration or submission of an offering document by or with a foreign securities market authority); and/or

- admitted to trading on a French or foreign regulated market or multilateral financial instruments trading facility, *provided* that such market or facility is not located in a Non-Cooperative State and that such market is operated by a market operator, an investment services provider, or by such other similar foreign entity that is not located in a Non-Cooperative State; and/or

- admitted, at the time of their issue, to the operations of a central depositary or of a securities delivery and payment systems operator within the meaning of Article L.561-2 of the French Monetary and Financial Code, or of one or more similar foreign depositaries or operators provided that such depositary or operator is not located in a Non-Cooperative State.

The Notes issued by the Issuer under this Offering Memorandum qualify as debt securities under French commercial law. Considering that: (i) as of the date of their admission to trading, the Notes will be admitted to trading on the Euro MTF Market in Luxembourg which does not qualify as a Non-Cooperative State and that such market is operated by a market operator which is not located in a Non-Cooperative State and/or (ii) the Notes will be admitted, at the time of their issue, to the operations of a central depositary or of a securities delivery and payment systems operators within the meaning of Article L. 561-2 of the French Monetary and Financial Code which is not located in a Non-Cooperative State, payments made by the Issuer in respect of the Notes to their holders will fall under the Safe Harbor and will thus not be subject to the withholding tax set out under Article 125 A III of the French Tax Code, as construed by the French tax authorities under the BOFIP. Moreover, under the same conditions, pursuant to the BOFIP and to the extent that the relevant interest and other assimilated revenues relate to genuine transactions and are not in an abnormal or exaggerated amount, interest and assimilated revenues paid by the Issuer on the Notes should not be subject to the Deductibility Exclusion and, as a result, should not be subject to the withholding tax set out under Article 119 *bis* 2 of the French Tax Code solely on account of their being paid on an account held in a financial institution established in a Non-Cooperative State or accrued or paid to persons established or domiciled in a Non-Cooperative State.

Withholding Taxes on Payments Made to Individuals Fiscally Domiciled in France

Pursuant to Article 125 A I of the French Tax Code, when the paying agent (*établissement payeur*) is established in France and subject to certain exceptions, interest and similar income received by individuals fiscally domiciled (*domiciliés fiscalement*) in France may be subject to a 12.8% withholding tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and solidarity levy) are also levied by way of withholding at an aggregate rate of 17.2% on such interest and similar income received by individuals fiscally domiciled (*domiciliés fiscalement*) in France, subject to certain exceptions.

Certain Other Tax Considerations; Payments by a Guarantor

If a Guarantor makes any payments in respect of interest on the Notes it is possible that such payments may be subject to withholding tax at applicable rates subject to such relief as may be available under the provisions of any applicable double taxation treaty or to any other exemption which may apply.

Holders may be eligible to receive a gross up from the payer with respect to the amounts withheld, subject to certain exceptions, as described in "*Description of the Notes–Additional Amounts*." Holders of Notes should consult with their tax advisors regarding the tax consequences if a Guarantor makes any payments with respect to the Notes.

LIMITATIONS ON THE VALIDITY AND ENFORCEABILITY OF THE GUARANTEES AND CERTAIN INSOLVENCY LAW CONSIDERATIONS

Limitations on the Validity and Enforceability of the Guarantees

France

The liabilities and obligations of each Guarantor will be subject to:

- certain exceptions, including to the extent of any obligations which would constitute prohibited financial assistance within the meaning of Article L. 225-216 of the French Commercial Code or infringement of the provisions of Articles L. 241-3, L. 242-6 or L. 244-1 of the French Commercial Code; and

- French corporate benefit rules.

Under French financial assistance rules, a company is prohibited from guaranteeing indebtedness of another company that is used, directly or indirectly, for the purpose of the acquisition or the subscription of its own shares by a third party.

Under French corporate benefit rules, a guarantor must receive an actual and adequate benefit from the transaction involving the granting by it of the guarantee, taken as a whole. A court could declare any guarantee unenforceable and, if payment had already been made under the relevant guarantee, require that the recipient return the payment to the relevant guarantor, if it found that these criteria were not fulfilled. The existence of a real and adequate benefit to the guarantor and whether the amounts guaranteed are commensurate with the benefit received are matters of fact as to which French case law provides no clear guidance.

Accordingly, each Guarantee by a Guarantor and the amounts recoverable thereunder will be limited, at any time, to an amount equal to the aggregate of the proceeds of the Notes to the extent directly or indirectly on-lent by the Issuer, or used to refinance any indebtedness previously directly or indirectly on-lent, to such Guarantor or any of its subsidiaries under intercompany loans or similar arrangements and outstanding on the date a payment is requested to be made by such Guarantor under its Guarantee. Any payment made by a Guarantor under its Guarantee in respect of the obligations of any other obligor shall reduce *pro tanto* the outstanding amount of the intercompany loans due by such Guarantor or its subsidiaries under the intercompany loan arrangements referred to above. By virtue of this limitation, a Guarantor’s obligation under its Guarantee could be significantly less than amounts payable with respect to the Notes, or a Guarantor may have effectively no obligation under its Guarantee.

No Guarantor will be acting jointly and severally with the Issuer and/or the other Guarantors as regards its obligations.

Fraudulent conveyance

French law contains specific “*action paulienne*” provisions dealing with fraudulent conveyance both in and outside insolvency proceedings. The *action paulienne* offers creditors protection against a decrease in their means of recovery. A legal act performed by a debtor (including, without limitation, an agreement pursuant to which such debtor guarantees the performance of the obligations of a third party or agrees to provide or provides security for any of such debtor’s or a third party’s obligations, enters into additional agreements benefiting from existing security or any other legal act having similar effect) can be challenged in the context of the insolvency proceedings of the relevant debtor by the creditors’ representative (*mandataire judiciaire*), the court-appointed commissioner in charge of overseeing the implementation of the safeguard or reorganization plan (*commissaire à l’exécution du plan*), or any creditor who was prejudiced in its means of recovery as a consequence of the act in or outside insolvency proceedings. Any such legal act may be declared unenforceable against all the creditors of the relevant debtor (if the claim was lodged by the creditors' representative (*mandataire judiciaire*) or the court- appointed commissioner in charge of overseeing the implementation of the safeguard or reorganization plan (*commissaire à l'execution du plan*)) or the concerned creditor (if the claim was lodged by such creditor) if:

(a) the debtor performed such act without an obligation to do so;

(b) the relevant creditor or (in the case of a claim lodged by the creditors' representative (*mandataire judiciaire*) or the court-appointed commissioner in charge of overseeing the implementation of the safeguard or reorganization plan (*commissaire à l'execution du plan*) any creditor was prejudiced in its means of recovery as a consequence of the act ; and

(c) at the time the legal act was performed, both the debtor and the counterparty to the transaction knew or should have known that one or more of such debtor's creditors (existing or future) would be prejudiced in their means of recovery (where the legal act was entered into for no consideration (*à titre gratuit*), no such knowledge of the counterparty is necessary).

If a court found that the issuance of the Notes or the granting of a Guarantee involved a fraudulent conveyance that did not qualify for any defense under applicable law, then the issuance of the Notes or the granting of such Guarantee could be

(a) declared unenforceable against all the creditors if the claim was lodged by the creditors' representative (*mandataire judiciaire*) or the court-appointed commissioner in charge of overseeing the implementation of the safeguard or reorganization plan (*commissaire à l'exécution du plan*) or

(b) declared unenforceable against the creditor who lodged the claim in relation to the relevant act.

As a result of such successful challenges, holders of the Notes may not enjoy the benefit of the Notes, the relevant Guarantee and the value of any consideration that holders of the Notes received with respect to the Notes or the relevant Guarantee could also be subject to recovery from the holders of the Notes and, possibly, from subsequent transferees. In addition, under such circumstances, holders of the Notes might be held liable for any damages incurred by prejudiced creditors of the Issuer or the Guarantors as a result of the fraudulent conveyance.

Italy

Under Italian law, the entry into of a transaction (including the granting of a guarantee) by a company incorporated under Italian law must be permitted by the applicable laws and by its by-laws (*statuto sociale*) and is subject to compliance with the rules on corporate benefit, corporate authorization and certain other Italian mandatory provisions. If a guarantee is being provided in the context of an acquisition, group reorganization, refinancing or restructuring, financial assistance issues may also be triggered.

Corporate Benefit

An Italian company entering into a transaction (including granting a guarantee) must receive a real and adequate benefit in exchange for the guarantee or the security interest being provided by such company. The concept of real and adequate benefit is not defined in the applicable legislation and it is assessed and determined by a factual analysis on a case by case basis and its existence is purely a business decision to the directors and the statutory auditors, if any. As a general rule, corporate benefit is to be assessed at the level of the relevant company on a stand-alone basis, although upon certain circumstances and subject to specific rules the interest of the group to which such company belongs may also be taken into consideration. While corporate benefit for a downstream guarantee in respect of financial obligations of direct or indirect subsidiaries of the relevant grantor is usually self-evident, the validity and effectiveness of up-stream or cross stream guarantee (i.e., guarantee granted in respect of financial obligations of the direct or indirect parent or sister companies of the relevant grantor) granted by an entity organized under the laws of Italy depend on the existence of a real and adequate benefit in exchange for the guarantee and may be challenged unless it can be proved that the grantor may derive some benefits or advantages from the granting of such guarantee. The general rule is that the risk assumed by an Italian grantor of such guarantee must not be disproportionate to the direct or indirect economic benefit to it. In particular, in case of an up-stream and cross-stream guarantee for the financial obligations of group companies, examples may include financial consideration in the form of access to cash flows through intercompany loans from other members of the group (without duplication), while transactions featuring debt financings of distributions to shareholders are largely untested in Italian courts, and, therefore, limited guidance is provided as to whether and to what extent such transactions could be challenged for lack of corporate benefit and conflict of interest. The general rule is that the risk assumed by an Italian grantor of such guarantee must not be disproportionate to the direct or indirect economic benefit to it.

As a general rule, absence of a real and adequate benefit could render the transaction (including granting a security interest or a guarantee entered into) by an Italian company ultra vires and potentially affected by a conflict of interest and the related corporate resolutions adopted by the shareholders and directors may be the subject matter of challenges and annulment. Civil liabilities may be imposed on the directors of an Italian grantor if a court holds that it did not act in the best interest of the grantor and that the acts carried out do not fall within the corporate purpose of the company or were against mandatory provisions of Italian law or were against mandatory provisions of Italian law. The lack of corporate benefit could also result in the imposition of civil liabilities on those companies or persons ultimately exercising control over an Italian grantor or having knowingly received an advantage or profit from such improper control. Moreover, the guarantee granted by an Italian company could be declared null and void if the lack of corporate benefit was known or presumed to be known by the third party and such third party acted intentionally against the interest of the Italian company.

The above principles on corporate benefit apply equally to up-stream, cross-stream and down-stream guarantees granted by Italian companies.

Upon certain conditions, the granting of guarantees may be considered as a restricted financial activity within the meaning of Article 106 of Italian Legislative Decree No. 385 of September 1, 1993 (the "Italian Banking Act"), whose exercise is exclusively demanded to banks and authorized financial intermediaries. Non-compliance with the provisions of the Italian Banking Act may, among others, entail the relevant guarantees being considered null and void. In this respect, Italian Legislative Decree No. 53 of April 2, 2015, implementing Article 106, paragraph 3, of the Italian Banking Act, states that the issuance of guarantees by a company for the obligations of another company which is part of the same group does not qualify as a restricted financial activity, whereby "group" includes controlling and controlled companies within the meaning of Article 2359 of the Italian Civil Code as well as companies which are under the control of the same entity. As a result of the above described rules, subject to the relevant guarantors and the guaranteed entity being part of the same group of companies, the provision of the guarantees would not amount to a restricted financial activity.

Financial Assistance

In addition, the granting of a guarantee by an Italian company cannot include any liability which would result in unlawful financial assistance within the meaning of Article 2358 or 2474, as the case may be, of the Italian Civil Code pursuant to which, subject to specific exceptions, it is unlawful for a company to give financial assistance (whether by means of loans, security, guarantees or otherwise) to support the acquisition or subscription by a third party of its own shares or quotas or those of any entity that (directly or indirectly) controls the Italian company. Financial assistance for refinancing indebtedness originally incurred for the purchase or subscription of its own shares or quotas or those of its direct or indirect parent company would also be a violation of financial assistance provisions. Any loan, guarantee or security given or granted in breach of these provisions is null and void. In addition, directors may be personally liable for failure to act in the best interests of the company.

Article 1938 of the Italian Civil Code

Pursuant to Article 1938 of the Italian Civil Code, if a guarantee by an Italian company is issued to guarantee conditional or future obligations, the guarantee must be limited to a maximum amount. Such maximum amount should be expressly identified at the outset and expressed in figures (either in the guarantee deed or by reference to a separate document, such as the Indenture).

Limitations to the Guarantees

In order to comply with the above corporate law requirements on corporate benefit and financial assistance, the maximum amount that any Guarantor incorporated under the laws of Italy (each, an "**Italian Guarantor**") may be required to pay in respect of its obligations as Guarantor under the Indenture and any other transaction documents related thereto, will be subject to limitations. By virtue of these limitations, an Italian Guarantor's obligation under its Guarantee will be significantly less than amounts payable with respect to the Notes, or an Italian Guarantor may have effectively no obligation under its Guarantee.

As a result of the applicable limitations under Italian law with respect to, amongst others, corporate benefit, notwithstanding anything to the contrary provided in the Indenture, as regards to any Italian Guarantor:

(i) the Guarantee and security interests granted by the relevant Italian Guarantor shall not exceed at any time an amount equal to the aggregate principal amount of any intercompany loans advanced from time to time to the relevant Italian Guarantor (or any of its direct or indirect subsidiaries pursuant to article 2359 of the Italian Civil Code) by the Issuer (whether directly or indirectly) on or following the Issue Date, and outstanding at the time of the enforcement of the relevant Guarantee, in each case net of any proceeds already paid pursuant to the enforcement of its guarantee and/or received upon the enforcement of any security interests granted by such Italian Guarantor; provided further that no Italian Guarantor shall be liable as a Guarantor in respect of any amounts in excess of the amount that such Italian Guarantor is entitled to set-off against its claims of recourse or subrogation (*regresso or surrogazione*) arising as a result of any payment made by such Italian Guarantor under the relevant Guarantee;

(ii) the maximum amount guaranteed and/or secured by any Italian Guarantor, also in accordance with article 1938 of the Italian Civil Code (where applicable), will not exceed 120% of the outstanding principal amount of the Notes;

(iii) the aggregate amount of interest in respect of the Notes guaranteed and/or secured by an Italian Guarantor will be at any time equal to the interest then outstanding in respect of a principal amount of the Notes equal to the principal amount of the Notes guaranteed and/or secured by the relevant Italian Guarantor at that time; and

(iv) notwithstanding any provision to the contrary in the Indenture, in order to comply with the mandatory provisions of Italian law in relation to (i) maximum interest rates (including the Italian Usury Law and article 1815 of the Italian Civil Code) and (ii) capitalization of interests (including article 1283 of the Italian Civil Code and article 120 of the Italian Legislative Decree No. 385 of 1 September 1993), the obligations of any of the Italian Guarantor under its Guarantee shall not include and shall not extend to (A) any interest qualifying as usurious pursuant the Italian Usury Law and (B) any interest on overdue amounts compounded in violation of the provisions set forth by article 1283 of the Italian Civil Code and/or article 120 of the Italian Legislative Decree No. 385 of 1 September 1993, respectively.

In addition, the obligations of any Italian Guarantor will be subject to the Agreed Guarantee Principles and will be subject to the additional limitations set forth in the relevant supplemental indenture to the Indenture, in order for the applicable Italian Guarantor to comply with the above corporate law requirements on, among others, corporate benefit and financial assistance.

Undercapitalization

Italian corporate law (Articles 2497-*quinquies* and 2467 of the Italian Civil Code) provides for rules to protect creditors against "undercapitalized companies" and provides for remedies in respect thereof. In this respect, in case of a loan to a company made by (i) a person that, directly or indirectly, directs the company or exercises management and coordination powers over that borrowing company or (ii) any entity subject to the management and coordination powers of the same person or (iii) a quotaholder in the case of a company incorporated in Italy as a limited liability company (*società a responsabilità limitata*), will be subordinated to all other creditors of that borrower and rank senior only to the equity in that borrower, if the loan is made when, taking into account the kind of business of the borrower, there was an excessive imbalance of the borrower's indebtedness compared to its net assets or the borrower was already in a financial situation requiring an injection of equity and not a loan ("**undercapitalization**"). Moreover, under the current provision of article 2467, first paragraph, of the Italian Civil Code (not yet modified by the amendments envisaged under article 383 of the Legislative Decree No. 14 of January 12, 2019) any payment made by the borrower with respect to any such loan within one year prior to a bankruptcy declaration would be required to be returned to the borrower. The above rules apply to shareholders' loans "made in any form" and scholars generally conclude that such provisions should be interpreted broadly and apply to any form of financial support provided to a company by its shareholders, either directly or indirectly.

As of the date hereof, there are several court precedents interpreting the provisions summarized above. Some of such precedents have held that article 2467 of the Italian Civil Code also applies to companies incorporated as joint stock companies (*società per azioni*), hence potentially to the borrowers under the intercompany loans that are joint stock companies (*società per azioni*).

Therefore, upon the occurrence of the requirements provided for by the relevant provisions, Italian courts may apply such provisions of the Italian Civil Code to the Issuer's relationship with Italian subsidiaries under the relevant intercompany loans. Accordingly, an Italian court may conclude that the obligations of any Italian subsidiary under any intercompany loan are subordinated to all its obligations towards other creditors. Should any of the obligations of any subsidiary under any intercompany loan or note be deemed subordinated to the obligations owed to other creditors by operation of law and senior only to the equity, the Issuer may not be able to recover any amounts under any intercompany loan or note granted to the Italian subsidiaries, which could have a material adverse effect on the Issuer's ability to meet its payment obligations under the Notes.

Moreover, in circumstances where any obligations of an Italian subsidiary under any intercompany loans or notes is subordinated by operation of law, the ability of the holders of the Notes to recover under any guarantees and/or security interests granted by such Italian subsidiaries may be impaired or restricted.

However, due to the COVID-19 emergency, the Liquidity Decree according to which the provisions summarized above are temporarily frozen and therefore loans granted by (i) a person that, directly or indirectly, directs the company or exercises management and coordination powers over that borrowing company or (ii) any entity subject to the management and coordination powers of the same person or (iii) a quotaholder in the case of a company incorporated in Italy as a limited liability company (*società a responsabilità limitata*) during the period between April 9, 2020 and December 31, 2020 are exempted from the application of the so-called "equitable subordination" rule. The applicability of these extraordinary provisions has not been further extended by the Italian legislator and, therefore, do not apply to any quotaholders loan granted after December 31, 2020.

Certain limitations on enforcement

The enforcement of guarantees by creditors in Italy can be complex and time consuming, especially in a liquidation scenario, given that Italian courts maintain a significant role in the enforcement process in comparison to other jurisdictions with which the holders of the Notes may be familiar. The two primary goals of the Italian law are first, to maintain employment, and second, to liquidate the debtor's assets for the satisfaction of creditors. These competing goals often have been balanced by the sale of businesses as going concerns and by ensuring that employees are transferred along with the businesses being sold.

Under Italian law, in the event that an entity becomes subject to insolvency proceedings, guarantees granted by it or by way of a trust or parallel debt obligation could be subject to potential challenges by the appointed bankruptcy receiver or by other creditors under the rules of ineffectiveness or avoidance or clawback of Italian Bankruptcy Law and the relevant law on the non-insolvency avoidance or clawback of transactions made by the debtor during a certain legally specified period (the "**suspect period**").

For a more detailed explanation of the terms, conditions and consequences of clawback actions in an insolvency scenario, see "*—Certain Insolvency Law Considerations—Italy*" below. If challenged successfully, the guarantee may become unenforceable and any amounts received must be refunded to the insolvent estate. To the extent that the grant of any guarantee is voided, holders of the Notes could lose the benefit of the guarantee.

Furthermore, in the event that the limitations on the guarantee issued by an Italian guarantor apply and/or there are payment obligations under any Notes other than in respect of principal or interest, the noteholders could have a reduced claim against the relevant guarantor.

According to Italian law, the enforcement of any claims, obligations and rights in general may be subject to, *inter alia*, the following aspects:

- the enforcement of obligations may be limited by the insolvency proceedings listed below relating to or affecting the rights of creditors;

- an Italian court will not necessarily grant any specific enforcement or precautionary measures, the availability of which is subject to the discretion of the court;

- with respect to contracts providing for mutual obligations (*contratti a prestazioni corrispettive*), each party can refuse to perform its obligation if the other party does not perform or does not offer to perform its own obligation thereunder, in accordance with and subject to the provisions of Article 1460 of the Italian Civil Code;

- claims arising under Italian law governed documents may become barred under the provision of Italian law concerning prescriptions and limitations by the lapse of time (*prescrizioni e decadenze*) or may be or become subject to a claim of set-off (*compensazione*) or to counterclaim;

- pursuant to Article 1241 of the Italian Civil Code concerning set-off of reciprocal obligations (*compensazione*), persons who have reciprocal debt obligations may set-off such obligations for the correspondent amount when both such debt obligations have as an object a pecuniary obligation or fungible assets of the same kind and are equally liquid and payable;

- where any party to any agreement or instrument is vested with discretion or may determine a matter in its opinion, Italian law may require that such discretion is exercised reasonably or that such opinion is based on reasonable grounds;

- the enforceability in Italy of obligations or contractual provisions governed by a foreign law may be limited by the application of Italian overriding mandatory provisions (*norme di applicazione necessaria*) and by the fact that the relevant provisions of foreign laws may be deemed contrary to Italian public policy principles and there is no case law setting out specific criteria for the application of such legal concepts under Italian law;

- there is some possibility that an Italian court could hold that a judgment on a particular agreement or instrument, whether given in an Italian court or elsewhere, would supersede such agreement or instrument to all intents and purposes, so that any obligation thereunder which by its terms would survive such judgment might not be held to do so;

- enforcement of obligations may be invalidated by reason of fraud or abuse of the law (*abuso del diritto*);

- the enforceability of an obligation pursuant to the terms set forth in any agreement or instrument may be subject to the interpretation of an Italian court which may carry out such interpretation pursuant to the provisions of Articles 1362 and following of the Italian Civil Code;

- any question as to whether or not any provision of any agreement or instrument which is illegal, invalid, not binding, unenforceable or void may be severed from the other provisions thereof in order to save those other provisions would be determined by an Italian court on the basis of the interpretation of intention of the parties, also taking into account the conduct of the parties following the execution of such agreement or instrument (Article 1419 of the Italian Civil Code);

- an Italian company, either directly or indirectly, cannot grant loans or provide security interest for the purchase or subscription of its own shares unless the strict requirements provided for the Italian Civil Code are satisfied;

- an Italian company must have a specific corporate interest in guaranteeing or securing financial obligations of its parent company or any other companies, whether related or unrelated, such interest being determined by the relevant company on a case-by-case basis;

- in case of bankruptcy, a receiver in bankruptcy is appointed by the court to administer the proceeding under the supervision of the bankruptcy court and creditors' committee and creditors cannot start or continue individual foreclosure actions (including the enforcement of security interests) against the debtor (automatic stay). Furthermore, the sale of the relevant pledged assets is carried out by such receiver unless the pledgee is expressly authorized by the bankruptcy court;

- the preemption rights (*prelazione*) granted by a pledge extend to interest accrued in the year in which the date of the relevant seizure/attachment or adjudication in bankruptcy falls (or, in the absence of seizure/ attachment, at the date of the notification of the payment demand (*precetto*) and extend, moreover, to interest accrued and to accrue thereafter, but only to the extent of legal interest and until the date of the forced sale occurred in the context of the relevant foreclosure proceeding/bankruptcy proceedings;

- in order to oppose an assignment to any third party, it will be necessary to notify such assignment to the relevant debtor or make such debtor to accept it by an instrument bearing an undisputable date (*data certa*); the priority of such assignment will be determined accordingly. One way of ensuring that a document has an indisputable date is that of ensuring that the execution of the relevant document by one of the parties to it is witnessed by a notary who states the date of witnessing on the document;

- there could be circumstances in which Italian law would not give effect to provisions concerning advance waivers or forfeitures;

- the effectiveness of terms exculpating a party from liability or duties otherwise owed is prevented by Italian law in the event of gross negligence (*colpa grave*), willful misconduct (*dolo*) or the violation of mandatory provisions;

- penalties and liquidated damages (*penali*) may be equitably reduced by a court;

- any obligation of an Italian company and/or any obligation secured or guaranteed by an Italian company, which is in violation of certain Italian mandatory or public policy rules (including, among others, any obligation to pay: (i) any portion of interest exceeding the thresholds of the interest rate permitted under the Italian law No. 108 of March 7, 1996 (i.e., the Italian usury law), as amended from time to time and related implementing rules and regulations; and (ii) any portion of interest deriving from any compounding of interest which does not comply with Italian law, including Article 1283 of the Italian Civil Code, according to which, accrued and unpaid interest can be capitalized only after legal proceedings to recover the debt were started or in the event the interest were unpaid and capitalized for not less than six months based on an agreement executed after the relevant maturity date and Article 120 of the Italian Legislative Decree no. 385/1993 (i.e., the Italian Banking Act)) may not be enforceable;

- if a party to an agreement is aware of the invalidity of that agreement and does not inform the other parties to that agreement of such invalidity, it is liable for the damages suffered by such other parties as a consequence of having relied upon the validity of the agreement;

- Italian courts do not necessarily give full effect to an indemnity for the costs of enforcement or litigation;

- a security interest does not prevent creditors of the relevant debtor other than the pledge from continuing enforcement or enforcement proceedings on the assets secured by the relevant pledge; and

- in case of bankruptcy of the grantor of the pledge over quotas or shares, the assets secured by the pledge could be freely sold to any third party in the context of the relevant bankruptcy proceeding and, as a consequence, the proceeds would be set aside for the prior satisfaction of the pledgee but the pledge would be terminated and, therefore, the latter would lose entitlement to the voting rights on the pledged quotas/ shares.

In addition, under Italian law, in certain circumstances also in the ordinary course of business, an action can be brought by any creditor of a given debtor within five years from the date in which the latter enters into a guarantee, security, agreement and any other act by which it disposes of any of its assets, in order to seek a claw- back action (*azione revocatoria ordinaria*) pursuant to Article 2901 of the Italian Civil Code (which results in a declaration of ineffectiveness as to the acting creditor) of the said guarantee, security, agreement and other act that is purported to be prejudicial to the acting creditor's right of credit. An Italian court could revoke the said guarantee, security, agreement and other act only if it, in addition to the ascertainment of the prejudice, was to make the two following findings:

- that the debtor was aware of the prejudice which the act would cause to the rights of the acting creditor, or, if such act was done prior to the existence of the claim or credit, that the act was fraudulently designed for the purpose of prejudicing the satisfaction of the claim or credit; and

- that, in the case of non-gratuitous acts, the third party involved was aware of said prejudice and, if the act was done prior to the existence of the claim or credit, that the said third party participated in the fraudulent design.

Spain

The Notes will be guaranteed by certain Guarantors incorporated in Spain (the "***Spanish Guarantors***").

We summarized in this section below certain Spanish legal limitations and considerations that may be relevant to holders as regards the Guarantee granted by the Spanish Guarantors.

General enforcement limitation under Spanish law

The obligations under the Notes and the Guarantees might not necessarily be enforced in accordance with their respective terms in every circumstance.

Such enforcement is subject to, *inter alios*, the nature of the remedies available in the Spanish Courts, the acceptance by such court of jurisdiction, the discretion of the courts, the power of such courts to stay proceedings, the provisions of the Spanish Civil Procedure Act (*Ley 1/2000, de 7 de enero, de Enjuiciamento Civil*) regarding remedies and enforcement measures available under Spanish law, the provisions of the Spanish Insolvency Act and other principles of law of general application.

In this regard, prospective investors should note and analyze with their own legal advisors any such potential limitations including without limitation the following matters:

(i) Spanish law does not expressly recognize the concept of an indemnity.

In particular, Article 1,152 of the Spanish Civil Code provides that any penalty (*cláusula penal*) agreed by the parties in an agreement will substitute damages (*indemnización de daños*) and the payment of interest (*abono de intereses*) in an event of breach, unless otherwise agreed.

Spanish Courts may modify the penalty agreed on an equitable basis if the debtor has partially or irregularly performed its obligations, unless the penalty (liquidated damages) was aimed at such partial performance.

There is doubt as to the enforceability of punitive damages in Spain.

(ii) Where obligations are to be performed in a jurisdiction outside Spain, they may not be enforceable in Spain to the extent that performance would be illegal under the laws of Spain.

(iii) Spanish law precludes the validity and performance of contractual obligations to be left at the discretion of one of the contracting parties. Therefore, Spanish courts may refuse to uphold and enforce terms and conditions of an agreement giving discretionary authority to one of the contracting parties.

(iv) Spanish law, as applied by the Spanish Supreme Court, permits Spanish courts to preclude early termination of an agreement if the basis of the breach of obligations, undertakings or covenants are merely ancillary or complementary to the main undertakings foreseen under the relevant agreement (such as payment obligations under financing agreements or the perfection and continuance of the relevant security interests and guarantees), and allows Spanish courts not to enforce any such early termination because of the relevant obligor's breach of those ancillary, complementary or non-essential undertakings.

(v) Under Spanish law, acts carried out in accordance with the terms of a legal provision whenever said acts seek a result which is forbidden by or contrary to law, shall be deemed to have been executed in circumvention of law (*fraude de ley*) and the provisions whose application was intended to be avoided shall apply.

(vi) A Spanish Court may award damages if the specific performance of an obligation is deemed impracticable.

(vii) A specific performance obligation may not automatically convert in a damages claim.

(viii) A Spanish Court may modify the obligations deriving from contracts in the terms considered necessary in order to restore the balance between the obligations, if unexpected and exceptional circumstances, which were unforeseeable when the contracts were executed.

(ix) In accordance with the general principles of Spanish Civil Procedural laws, the rules of evidence in any judicial proceeding cannot be modified by agreement of the parties. Accordingly, provisions in an agreement in which determinations by a party are to be deemed to be conclusive would not be upheld by a Spanish court. A determination, designation, calculation or certificate from one party as to any matter provided in the Notes documents might, in certain circumstances, be held by a Spanish court not to be final, conclusive and binding, if it could be shown to have an unreasonable or arbitrary basis or in the event of manifest error despite any provision in the secured documents to the contrary;

(x) It may not be disregarded that the enforcement of a Guarantee granted by a Spanish Guarantor could require a judgment to be previously rendered in New York declaring the default or acceleration of the secured obligations and the amount due and payable thereunder;

(xi) A certified translation into Spanish by an official translator of any document not executed in Spanish will be required to make such document admissible in evidence before any court in Spain;

(xii) Under Spanish law, claims may become time-barred or may be or become subject to the defenses of set-off or counterclaim, abuse of rights (*abuso de derecho*), misrepresentation, force majeure, unforeseen circumstances, undue influence, duress or error.

Limitations on Guarantees

The figure of a first demand guarantee has been admitted in several judgments by the Spanish Supreme Court as an autonomous guarantee, detached from the underlying agreement whose obligations are being guaranteed, acknowledging therefore the validity of the provision pursuant to which the guarantor has renounced to call on exceptions different to those arising from the guarantee. Notwithstanding this, case law has also admitted the possibility that the guarantor objects to the beneficiary of the guarantee the exception of fraud, bad faith or abuse of right (*abuso de derecho*) in the events where the beneficiary enforces the guarantee in a fraudulent manner or with bad faith. Besides, case law has also admitted that the guarantor can stay the enforcement by showing that there has been no event of default (the guarantor bearing the burden of proof).

Corporate benefit

Unlike other jurisdictions, there is no concept of "corporate benefit" expressly regulated under the Spanish Companies Act or any other piece of legislation, However, Spanish lower courts, particularly Spanish commercial courts (*Juzgados de lo Mercantil*) ruling on insolvency matters, are declaring null or rescinding upstream guarantees by applying the rebuttable presumption of actions detrimental to the estate of an affiliate granting guarantees in favor of the liabilities incurred by a parent company and/or other companies of its group for the purposes of Article 226 of the Spanish Insolvency Act (i.e. rescission or claw-back of these actions during the 2-year hardening period, as described above), when the obligations guaranteed do not provide for a direct benefit to the Spanish company granting such guarantee.

Certain decisions by the Spanish Supreme Court are ruling in favor of the validity and enforceability of such guarantees to the extent evidence can be given that amounts can be borrowed directly by the company granting the guarantee or indirectly on-lent or otherwise made available to such company under a intercompany loan agreement, equity contribution or similar arrangement, also taking into account any indirect benefits deriving from the enhancement of the financial position of the group of companies to which such company belongs and the granting of parent guarantees, indemnities and comfort letters for which the relevant company obtains most favorable economic and financial conditions under its contractual relationships with suppliers and other counterparties, in accordance with Spanish case law existing as for the construction of the concept of "compensatory advantage" ("*ventaja compensatoria*").

However, it cannot be conclusively ensured that further proof of the actual existence of benefits and compensatory advantages would need to be delivered to court, to the insolvency administrator and/or the insolvency court in the event of an insolvency scenario where the claims of the holders of the Notes, particularly as "special privilege claims" may be challenged if the insolvency administrator or other creditors may allege that such corporate benefit did not exist.

Limitation on claims

Under Spanish law, claims may become time-barred (5 years being the general term established for obligations *in personam* under Article 1,964 of the Spanish Civil Code, as amended in 2015) or may be or become subject to the defense of set-off or counterclaim.

Court enforceability

The terms "enforceable," "enforceability," "valid," "legal," "binding" and "effective" (or any combination thereof) mean that all of the obligations assumed by the relevant party under the relevant documents are of a type enforced by Spanish courts; the terms do not mean that these obligations will necessarily be enforced in all circumstances in accordance with their terms.

Enforcement before the courts will in any event be subject to:

- the nature of the remedies available in the courts; and
- the availability of defenses such as (without limitation) set-off (unless validly waived), circumvention of law (*fraude de ley*), abuse in the exercise of rights (*abuso de derecho*), misrepresentation, force majeure, unforeseen circumstances, undue influence, duress, abatement and counterclaim.

Financial assistance

Spanish law prohibits financial assistance: (i) for public limited liability companies (*sociedades anónimas*) in relation to the acquisition of their own shares or the shares of any direct or indirect parent company, and (ii) for private limited liability companies (*sociedades de responsabilidad limitada*), in relation to the acquisition of their own shares and the shares of any member of their corporate group.

England and Wales

Challenges to Guarantees

Certain of the Guarantors are organized under the laws of England and Wales (the "**English Guarantors**").

There are circumstances under English insolvency law in which the granting by an English company of security and/or guarantees can be challenged. In most cases, this will only arise if the company is placed into administration or liquidation within a specified period of the granting of the guarantee and/or security. Therefore, if during the specified period an administrator or liquidator is appointed to a company, the administrator or liquidator may challenge the validity of the security or guarantee given by such company. The Issuer cannot be certain that, in the event of the onset of an English Guarantor's English law insolvency proceedings within any of the requisite time periods set forth below, the relevant Guarantee will not be challenged or that a court would uphold the transaction as valid.

Onset of insolvency

The date of the onset of insolvency, for the purposes of transactions at an undervalue and preferences (as discussed below) depends on the insolvency procedure in question.

In an administration, the onset of insolvency is the date on which: (a) the court application for an administration order is issued; (b) the notice of intention to appoint an administrator is filed at court; or (c) otherwise, the date on which the appointment of an administrator takes effect. In a compulsory liquidation, the onset of insolvency is the date the winding-up petition is presented to court, whereas in a voluntary liquidation it is the date the company passes the relevant winding-up resolution. Where liquidation follows administration, the onset of insolvency will be the same as for the initial administration.

Transaction at an undervalue

Under the Insolvency Act 1986 (as amended) (the "**Insolvency Act**"), a liquidator or administrator of an English company can apply to the court for an order to set aside a guarantee (or grant other relief) if such liquidator or administrator believes that the grant of such guarantee constituted a transaction at an undervalue. It can only be a transaction at an undervalue if, at the time of the transaction or as a result of the transaction, the English company is unable to pay its debts or becomes unable to pay its debts (as defined in Section 123 of the Insolvency Act). The transaction can be challenged if the onset of the English company's insolvency is within a period of two years from the date the English company grants the security interest or the guarantee. A transaction may be set aside as a transaction at an undervalue if it involves the company making a gift to a person, the company receiving no consideration or the company receiving consideration of significantly less value, in money or money's worth, than the consideration given by such company. However, a court shall not make an order if it is satisfied that the company entered into the transaction in good faith and for the purpose of carrying on its business and that, at the time it did so, there were reasonable grounds for believing the transaction would benefit the company.

If the court determines that the transaction was a transaction at an undervalue, the court can make such order as it thinks fit to restore the company to the position it would have been in if the transaction had not been entered into, which may include reducing payments under the Notes or setting aside the Guarantees. An order by the court for a transaction at an undervalue may affect the property of, or impose any obligation on, any person whether or not they are the person with whom the company entered into the transaction, but such an order will not prejudice any interest in property which was acquired from a person other than the company in good faith and for value or prejudice any interest deriving from such an interest, and will not require a person who received a benefit from the transaction in good faith and for value to pay a sum to the liquidator or administrator of the company, except where the person was a party to the transaction.

In any proceedings, it is for the administrator or liquidator to demonstrate that the English company was unable to pay its debts unless a beneficiary of the transaction was a connected person (as defined in the Insolvency Act), in which case there is a presumption of insolvency and the connected person must demonstrate that the company was not unable ot pay its debts at the time of the transaction or became unable to do so as a consequence of the transaction.

Preference

Under the Insolvency Act, a liquidator or administrator of an English company can apply to the court for an order to set aside the grant of a guarantee (or grant other relief) if such liquidator or administrator believes that the creation of such guarantee constituted a preference. It can only be a preference if, at the time of the transaction or as a result of the transaction, the English company is unable to pay its debts or becomes unable to pay its debts (as defined in Section 123 of the Insolvency Act). The transaction can be challenged if the English company enters into insolvency within a period of six months (if the beneficiary of the guarantee is not a connected person) or two years (if the beneficiary is a connected person, except where such beneficiary is a connected person by reason only of being the company's employee) from the date the English company grants the guarantee. A transaction may constitute a preference if it has the effect of putting a creditor of the English company (or a surety or guarantor for any of the company's debts or liabilities) in a better position (in the event of the company going into insolvent liquidation) than such creditor, guarantor or surety would otherwise have been in had that transaction not been entered into.

If the court determines that the transaction was a preference, the court can make such order as it sees fit to restore the company to the position it would have been in if that preference had not been given, which could include reducing payments under the Notes or setting aside the Guarantees. An order by the court for a preference may affect the property of, or impose any obligation on, any person whether or not they are the person to whom the preference was given, but such an order will not prejudice any interest in property which was acquired from a person other than the company in good faith and for value or prejudice any interest deriving from such an interest, and will not require a person who received a benefit from the preference in good faith and for value to pay a sum to the liquidator or administrator of the company, except where the payment is to be in respect of a preference given to that person at a time when they were a creditor of the company.

However, for the court to determine that a transaction is a preference, it must be shown that the English company was influenced by a desire to produce the preferential effect. This is a subjective test. In any proceedings, it is for the administrator or liquidator to demonstrate that the English company was unable to pay its debts at the relevant time and that the company was influenced by a desire to produce the preferential effect, unless the beneficiary of the transaction was a connected person (except where such beneficiary is a connected person by reason only of being the company's employee), in which case there is a presumption that the company was influenced by a desire to produce the preferential effect and the connected person must demonstrate in such proceedings that there was no such influence.

Transaction defrauding creditors

Under the Insolvency Act, where it can be shown that a transaction was entered into at an undervalue and was made for the substantial purpose of putting assets beyond the reach of a person who is making, or may make, a claim against a company, or to otherwise prejudice the interests of a person in relation to a claim which that person is making or may make, the transaction may be set aside by the court as a transaction defrauding creditors. This provision may be used by any person who claims to be a "victim" of the transaction (with leave of the court if the company is in liquidation or administration), and is not therefore limited to liquidators or administrators or to companies that are in liquidation or administration. There is no statutory time limit within which the challenge must be made (subject to the normal statutory limitation periods) and the relevant company does not need to be insolvent at the time of, or as a result of, the transaction. If the court determines that the transaction was a transaction defrauding creditors, the court can make such order as it thinks fit to restore the position to what it would have been if the transaction had not been entered into and to protect the interests of the victims of the transaction, which may include reducing payments due under or setting aside security interests or guarantees. The relevant court order may affect the property of, or impose any obligation on, any person whether or not they are the person with whom the transaction was entered into. However, such an order will not prejudice any interest in property which was acquired from a person other than the debtor company in good faith, for value and without notice of the relevant circumstances, and will not require a person who received a benefit from such transaction in good faith, for value and without notice of the relevant circumstances to pay any sum to the liquidator or administrator of the company unless such person was a party to the transaction.

Extortionate credit transaction

An administrator or a liquidator can apply to court to set aside an extortionate credit transaction. The court can review extortionate credit transactions entered into by an English Guarantor up to three years before the day on which the English Guarantor in the period entered into administration or went into liquidation. A transaction is "extortionate" if, having regard to the risk accepted by the person providing the credit, the terms of it are (or were) such as to require grossly exorbitant payments to be made (whether unconditionally or in certain contingencies) in respect of the provision of the credit or it otherwise grossly contravened ordinary principles of fair dealing.

Foreign currency

Under English insolvency law, where creditors are asked to submit formal proofs of claim for their debts, the office-holder will convert all foreign currency denominated proofs of debt into pound sterling at a single rate for each currency determined by the office-holder by reference to the exchange rates prevailing on the relevant date. This provision overrides any agreement between the parties. If a creditor considers the rate to be unreasonable, they may apply to the court.

Accordingly, in the event that an English Guarantor goes into liquidation or administration, holders of the Notes may be subject to exchange rate risk between the date on which such English Guarantor goes into liquidation or administration and receipt of any amounts to which such holders of the Notes may become entitled. Any losses resulting from currency fluctuations are not recoverable from the insolvent estate.

Post-petition interest

Any interest accruing under or in respect of amounts due under the Notes or the Guarantees in respect of any period after the commencement of administration or liquidation proceedings would only be recoverable by the Noteholders from any surplus remaining after payment of all other debts proved in the proceedings of the relevant English Guarantor and accrued and unpaid interest on those debts up to the date of the commencement of the proceedings provided that such interest may, if there are sufficient realizations from the secured assets, be discharged out of such security recoveries.

Limitation on enforcement

The grant of a Guarantee by an English Guarantor in respect of the obligations of another group company must satisfy certain legal requirements. Among other requirements, such a transaction must be allowed by the respective company's memorandum and articles of association. To the extent that the above do not allow such an action, there is the risk that the grant of the guarantee and the subsequent security can be found to be void and the respective creditor's rights unenforceable. Some comfort may be obtained for third parties if they are dealing with an English Guarantor in good faith; however, the relevant legislation is not without difficulties in its interpretation. Further, corporate benefit must be established for each English Guarantor in question with respect to its entry into the proposed transaction. Section 172 of the Companies Act 2006 provides that a director must act in a way that he considers, in good faith, would be most likely to promote the success of the English Guarantor for the benefit of its members as a whole. If the directors enter into a transaction where there is no or insufficient commercial benefit, they may be found as abusing their powers as directors and such a transaction may be vulnerable to being set aside by a court. Section 172(3) of the Companies Act 2006 additionally provides that, in certain circumstances, the directors need to consider or act in the interests of the creditors of the company. While the statutory provisions do not prescribe when directors' duties to creditors arise, the English courts have held that the shift takes place when the directors know, or should know, that the company in question is or is likely to become insolvent, with "likely" in this context meaning "probable".

Guarantees granted by the English Guarantors may also be subject to potential limitations to the extent they would result in unlawful financial assistance contrary to English company law.

Certain Insolvency Law Considerations

European Union

Insolvency Regulation

The Issuer and the Guarantors are organized under the laws of France, a Member State of the European Union.

Regulation No. 2015/848 of the European Parliament and of the Council of May 20, 2015 on Insolvency Proceedings (recast) (the "Insolvency Regulation"), as amended, in particular by Regulation (EU) 2018/046 of the European Parliament and of the Council of July 4, 2018, was published in the Official Gazette of the European Union on June 2015 and applies to insolvencies which commence after June 26, 2017 (subject to certain exceptions).

The Insolvency Regulation applies within the European Union (other than Denmark), to public collective insolvency proceedings as defined therein and listed in its Annex A.

Pursuant to Article 3(1) of the Insolvency Regulation, the court which shall have jurisdiction to open insolvency proceedings in relation to a company is the court of the EU Member State (other than Denmark) where the company concerned has its "centre of main interests" or "COMI." The determination of where a company has its "centre of main interests" is a question of fact on which the courts of the different Member States may have differing and even conflicting views.

Furthermore, "centre of main interests" is not a static concept and may change from time to time but is determined for the purposes of deciding which courts have competent jurisdiction to open insolvency proceedings at the time of the filing of the insolvency petition. In the case of a company or legal person, the centre of main interests is presumed to be located in the country of the registered office in the absence of proof to the contrary. That presumption shall only apply if the registered office has not been moved to another Member State within the three-month period prior to the request for the opening of insolvency proceedings. Specifically, the presumption of the centre of main interests being at the place of the registered office should be rebuttable if the company's central administration is located in another Member State than the one where it has its registered office, and where a comprehensive assessment of all the relevant factors establishes, in a manner that is ascertainable by third parties, that the company's actual centre of management and supervision and the centre of the management of its interests is located in that other Member State. Under the previous Insolvency Regulation ((EC) 1346/2000), which defined the COMI in similar terms, the courts have taken into consideration when determining the centre of main interests a number of factors, in particular where board meetings are held, the location where the debtor conducts the majority of its business or has its head office and the location where the majority of the debtor's creditors are established.

If the centre of main interests of a company, at the time an insolvency application is made, is located in a Member State (other than Denmark), only the courts of that Member State have jurisdiction to open main insolvency proceedings in respect of that company under the Insolvency Regulation. The types of insolvency proceedings which may be opened as main proceedings in the relevant jurisdiction are listed in Annex A to the Insolvency Regulation.

If the centre of main interests of a company is in one Member State (other than Denmark), under Article 3(2) of the Insolvency Regulation, the courts of another Member State (other than Denmark) have jurisdiction (subject to certain exceptions) to open secondary and territorial insolvency proceedings against that company only if such company has an "establishment" (within the meaning and as defined in Article 2(10) of the Insolvency Regulation) in the territory of such other Member State or had an establishment in such EU Member State in the 3-month period prior to the request for commencement of main insolvency proceedings. An "establishment" is defined to mean any place of operations where the company carries out or has carried out in the three-month period prior to the request to open main insolvency proceedings a non-transitory economic activity with human means and assets. Secondary and territorial proceedings may be any insolvency proceeding listed in Annex A of the Insolvency Regulation. The effects of those insolvency proceedings opened in that other Member State are restricted to the assets of the company which are situated in such other Member State.

Where main proceedings have been commenced in the Member State in which the debtor has its centre of main interests, any proceedings commenced subsequently in another Member State in which the debtor has an establishment shall be secondary insolvency proceedings. Territorial proceedings are, in effect, secondary proceedings which are commenced prior to the opening of main insolvency proceedings.

Pursuant to Article 3(4) of the Insolvency Regulation, where main proceedings in the Member State in which the company has its centre of main interests have not yet been opened, territorial insolvency proceedings can only be opened in another Member State where the company has an establishment and either: (a) insolvency proceedings cannot be opened in the Member State in which the company's centre of main interests is situated under that Member State's law; or (b) the territorial insolvency proceedings are opened at the request of (i) a creditor whose claim arises from or is in connection with the operation of the establishment situated within the territory of the Member State where the commencement of territorial proceedings is requested or (ii) a public authority that has the right to request the opening of such proceedings under the law of the Member State in which the establishment is located. Irrespective of whether the insolvency proceedings are main or secondary insolvency proceedings, such proceedings will always, subject to certain exemptions, be governed by the *Lex fori concursus*, that is, the local insolvency law of the court that has assumed jurisdiction for the insolvency proceedings of the debtor. Furthermore, pursuant to Article 6 of the EU Insolvency Regulation, the courts of the Member State within the territory of which insolvency proceedings have been opened in accordance with Article 3 shall have jurisdiction for any action that derives directly from the insolvency proceedings and is closely linked with, such as avoidance actions.

The opening of insolvency proceedings in a Member State pursuant to the EU Insolvency Regulation shall not affect the rights in rem of creditors or third parties in respect of tangible or intangible, moveable or immoveable assets, both specific assets and collections of indefinite assets as a whole that change from time to time, belonging to the debtor that are situated within the territory of another Member State at the time of the opening of proceedings. Rights in rem include:

- the right to dispose of assets or have them disposed of and to obtain satisfaction from the proceeds of or income from those assets, in particular by virtue of a lien or a mortgage;
- the exclusive right to have a claim met, in particular a right guaranteed by a lien in respect of the claim or by assignment of the claim by way of a guarantee;
- the right to demand assets from, and/or to require restitution by, anyone having possession or use of them contrary to the wishes of the party so entitled;
- a right in rem to the beneficial use of assets.

The courts of all Member States (other than Denmark) must recognize the judgment of the court opening main proceedings (subject to any public policy exceptions) and give the same effect to the order in the other relevant Member State so long as no secondary proceedings have been opened there. Pursuant to Article 21 of the Insolvency Regulation, the insolvency officeholder appointed by a court in a Member State that has jurisdiction to open main proceedings (because the debtor's COMI is located there) may exercise the powers conferred on him by the law of that Member State in another Member State (such as to remove assets of the company from that other Member State), subject to certain limitations, so long as no insolvency proceedings have been opened in that other Member State or any preservation measure taken to the contrary further to a request to open insolvency proceedings in that other Member State where the company has assets.

However, under Article 36 of the EU Insolvency Regulation, the insolvency practitioner in the main insolvency proceedings may attempt to avoid the opening of secondary insolvency proceedings in another Member State by giving a unilateral undertaking in respect of the assets located in the Member State in which secondary insolvency proceedings could be opened that the distribution of those assets or of the proceeds received as a result of their realization, will comply with the distribution and priority rights that would apply under the relevant national law if secondary insolvency proceedings were opened in such other Member State. Such undertaking must be made in writing and is subject to approval by a qualified majority of known local creditors, determined in accordance with the local law of such other Member State. If approved, the undertaking is binding on the insolvency estate and if a court is requested to open secondary insolvency proceedings, it shall, at the request of the insolvency practitioner in the main insolvency proceedings, refuse to open such proceedings if it is satisfied that the undertaking adequately protects the general interests of local creditors.

Additionally, under Article 38 of the Insolvency Regulation, where a temporary stay of individual enforcement proceedings has been granted in order to allow for negotiations between a company and its creditors, the court, at the request of the company or of the insolvency practitioner in the main insolvency proceedings, may stay the opening of secondary insolvency proceedings for a period not exceeding three months, provided that suitable measures are in place to protect the interests of local creditors.

Under Article 46 of the Insolvency Regulation, the court that opened the secondary insolvency proceedings will also stay the process of realization of assets in whole or in part upon receipt of a request from the insolvency practitioner in the main insolvency proceedings, for a period of up to three months, unless such a request is manifestly of no interest to the creditors in the main insolvency proceedings. Such stay may be continued or renewed for similar periods. Where the court stays the process of realization of the assets, the court may require the insolvency practitioner in the main insolvency proceedings to take any suitable measure to guarantee the interests of the creditors in the secondary insolvency proceedings and of individual classes of creditors.

The Insolvency Regulation also provides for rules to coordinate main, secondary and territorial insolvency proceedings (Articles 41 et seq.), as well as to coordinate cross-border group insolvencies (Article 56 et seq.). In the event that insolvency proceedings concerning two or more members of a group are opened, insolvency practitioners and courts shall cooperate with any other insolvency practitioner and any other court involved in insolvency proceedings of another member of the group (Articles 56 and 57).

The Insolvency Regulation has created a treatment for groups of companies experiencing difficulties by the commencement of group coordination proceedings and the appointment of an insolvency practitioner in order to facilitate the effective administration of the insolvency proceedings of our group's members.

In addition, the concept of "group coordination proceedings" has been introduced in the Insolvency Regulation with the aim of bolstering communication and efficiency in the insolvency of several members of a group of companies in one or more Member States (other than Denmark). Under Article 61 of the Insolvency Regulation, group coordination proceedings may be requested before any court having jurisdiction over the insolvency proceedings of a member of the group, by an insolvency practitioner appointed in insolvency proceedings opened in relation to a member of the group. Participation in group proceedings and adherence to the coordinating insolvency practitioner's recommendations or plan however is voluntary.

In the event that the Issuer or the Guarantors experiences financial difficulty, it is not possible to predict with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings would be commenced, or the outcome of such proceedings. Applicable insolvency laws may affect the enforceability of the obligations and the security of the Issuer and the Guarantors.

EU Directive on preventive restructuring frameworks

The EU directive 2019/1023 of the European Parliament and the Council of June 20, 2019 on preventive restructuring frameworks, on discharge of debt and disqualifications, and on measures to increase the efficiency of procedures concerning restructuring, insolvency and discharge of debt, and amending Directive (EU) 2017/1132 (Directive on restructuring and insolvency) (the **"EU Restructuring Directive**") was published on June 26, 2019.

The objectives of the EU Restructuring Directive are to ensure that (i) viable enterprises and entrepreneurs that are in financial difficulties have access to effective national preventive restructuring frameworks that enable them to continue operating, (ii) honest insolvent or over-indebted entrepreneurs (i.e., individuals) can benefit from a full discharge of debt after a reasonable period of time, thereby affording them a second chance and (iii) the effectiveness of procedures concerning restructuring, insolvency and discharge of debt is improved, in particular with a view to shortening their length.

The EU Restructuring Directive aims to achieve a higher degree of harmonization in the field of restructuring, insolvency, discharge of debt and disqualifications by establishing substantive minimum standards for preventive restructuring procedures as well as for procedures leading to a discharge of debt for entrepreneurs in order to promote a culture that encourages early preventive restructuring to address financial difficulties at an early stage, when it appears likely that insolvency can be prevented and the viability of the business can be ensured. Most notably, the Restructuring Directive provides for a framework pursuant to which (a) a stay of individual enforcement actions by creditors against debtors must be introduced by Member States national legislation, (b) all creditor claims shall be grouped into separate classes each of which shall reflect a commonality of interests (at a minimum, creditors of secured and unsecured claims shall be treated in separate classes), (c) creditor claims may be restructured in a restructuring plan by majority vote with a majority of not more than 75% of the amount of the claims in each class and, where the Member State so requires, a majority in number of affected parties in each class and (d) a cross-class cram-down is introduced whereby a restructuring plan may, under certain conditions, be adopted and bind dissenting creditors even if the creditors of one or more classes do not consent to the restructuring plan with the required majority. In order to be adopted the plan will have to be confirmed by a judicial or administrative authority that will in particular ensure the protection of each type of creditors' rights and compliance with the priority rules governing the adoption of the plan. The transposition of the Restructuring Directive into national legislation shall protect new financing and interim financing and may also provide priority ranking to new or interim financing granted in the context of the restructuring.

The EU Restructuring Directive shall be transposed into national laws or regulations by Member States by July 17, 2021 (with the exception of the provisions relating to the use of electronic means of communication for which the time period for the transposition expires in certain respects on July 17, 2024 or, in others, on July 17, 2026), subject to a maximum 1 year extension of the transposition period for Member States encountering particular difficulties in implementing the EU Restructuring Directive.

France

Temporary measures in the context of the COVID-19 pandemic

Due to the COVID-19 pandemic, certain temporary measures have recently been enacted by the French Government to adapt French insolvency law to the health crisis (Ordinance No.

2020-596 dated May 20, 2020, Ordinance No. 2020-1443 dated November 25, 2020 and Law n° 2020-1525 dated December 7, 2020 (see article 124)).

In particular, until December 31, 2021, pursuant to Article 1 of Ordinance n° 2020-1443 dated November 25, 2020, in force as from November 26, 2020, at the request of the conciliator, the duration of conciliation proceedings may be extended one or more times, by a reasoned decision of the president of the court, up to a maximum of ten months (see "—*Conciliation Proceedings*" below).

In addition, Article 124 of Law n° 2020-1525 dated December 7, 2020, in force as from December 8, 2020 extends until December 31, 2021 the following measures that were initially adopted by Ordinance n° 2020-596 dated May 20, 2020, in force as from May 21, 2020 that were due to expire on December 31, 2020:

- additional specific measures aimed at protecting debtors and an adaptation of the provisions governing grace periods in the context of conciliation proceedings (see "—*Conciliation Proceedings*" and "—*Grace Periods*" below);

- the loosening of the conditions for eligibility to accelerated safeguard proceedings and accelerated financial safeguard proceedings (see "—*Accelerated Safeguard Proceedings*" below);

the supervising judge's right, at the request of the court-appointed administrator or the creditors' representative, to reduce from 30 to 15 days of receipt of the debt settlement proposal the deadline during which creditors can respond to a debt settlement proposal in the context of a standard consultation for the approval of a safeguard or reorganization plan (see "—*Adoption of the Safeguard or Reorganization Plan*" below);

the possible up to two year extension of the duration of the safeguard or reorganization plan, as a result of which such a plan can now last up to 12 years (see "—*Adoption of the Safeguard or Reorganization Plan*" below); and

the grant of a special privilege for creditors that make new cash contributions to the debtor during the safeguard proceedings, the accelerated safeguard proceedings, the accelerated financial safeguard proceedings or the reorganization Proceedings in order to ensure the continuation of the company's business and its survival and for those who undertake to make such contribution for the execution of the safeguard or reorganization plan ordered or modified by the court (the "**S/R Lien**").

Due to the COVID-19 pandemic, these rules may be further adapted and additional measures may be put in place within the following weeks or months, which may have an impact on French insolvency law.

Grace periods

In addition to insolvency laws discussed below, you could, like any other creditors, be subject to Article 1343-5 of the French Civil Code (*Code civil*).

Pursuant to the provisions of this article, French courts may, in any civil or commercial proceedings involving the debtor, whether initiated by the debtor or the creditor, taking into account the debtor's financial position and the creditor's needs, defer or otherwise reschedule over a maximum period of two years the payment dates of payment obligations and decide that any amounts, the payment date of which is thus deferred or rescheduled, will bear interest at a rate that is lower than the contractual rate (but not lower than the legal rate, as published semi- annually by the French government) or that payments made shall first be allocated to repayment of principal. A court order made under Article 1343-5 of the French Civil Code will suspend any pending enforcement measures, and any contractual default interest or penalty for late payment will not accrue or be due during the grace periods ordered by the relevant judge.

If the debtor is engaged in conciliation proceedings or has reached a conciliation agreement that is in the course of being executed, special rules apply to the grant of grace periods (see "—*Court-assisted Proceedings*" below).

Warning procedure (procédure d'alerte)

In order to anticipate a debtor's difficulties to the extent possible, French law provides for certain warning procedures, which take place in stages. If a company is incorporated as a société anonyme, when there are elements which the statutory auditor of the company believes place the company's existence as a going concern in jeopardy, it must request company management to provide an explanation for the situation (Stage 1 of the warning procedure). Failing satisfactory explanations or corrective measures by management within 15 days following the request, the statutory auditor must request that the board of directors (or the equivalent body) be convened and may request to be heard by the president of the relevant commercial court (Stage 2 of the warning procedure). The minutes of the board of directors' meeting are sent to the employee representatives during Stage 2, as Stage 1 proceedings are confidential.

If, despite of the statutory auditor's request, the board of directors (or an equivalent body) has not been convened, if the statutory auditor has not been summoned to the meeting of the board, or if the statutory auditor concludes that in the context of this meeting satisfactory explanations have not been given and appropriate corrective measures have not been not taken by management, then management must convene a shareholders' meeting at which the auditors present a special report on the state of the company. This report is also sent to the employee representatives (Stage 3 of the warning procedure). In practice, the statutory auditor commonly invites the management to convene a shareholders' meeting. If management fails to act, then the statutory auditor convenes the shareholders' meeting himself/herself and sets the agenda. If the statutory auditor considers that decisions made by the shareholders during the shareholders' meeting do not ensure the company's existence as a going concern, he or she must inform the president of the relevant commercial court of the warning procedure and may also request to be heard on the matter (Stage 4 of the warning procedure).

Similar warning procedures exist for companies not registered as a *société anonyme*, with minor differences in technical details of the procedure.

Shareholders representing at least 5% of the share capital and the workers' committee, or, in their absence, the employees' representatives have similar rights.

The president of the relevant commercial court can also summon the management to provide explanations on elements which he or she believes put the company's existence as a going concern in jeopardy, or when the company has not filed its financial statements within the statutory timeframe, despite his injunction.

Due to the COVID-19 pandemic and the public health state of emergency that was imposed by the French government, Ordinance n° 2020-341 of March 27, 2020 and Ordinance n° 2020-596 dated May 20, 2020, as amended by Law No. 2020-1525 dated December 7, 2020 (see article 124), have amended the warning procedure to provide that, until and including December 31, 2021, if the statutory auditor considers the state of the relevant company to require immediate action, and has determined that the director is refusing to take such action or is taking insufficient measures, the statutory auditors may inform the president of the relevant commercial court concurrently with his or her initial report made to the director, the chairman of the board of directors (*conseil d'administration*) or of the supervisory board (*conseil de surveillance*), as the case may be.

In such case, the statutory auditor may communicate by any means and without delay to the president of the court his or her findings and proceedings, and may produce copies of any relevant documents. The statutory auditor is released from his or her obligation of professional secrecy towards the president of the relevant commercial court under these circumstances.

This exceptional procedure does not preclude the application of the ordinary warning procedure detailed above.

Insolvency test

Under French law, a debtor is considered to be insolvent (*en état de cessation des paiements*) when it is unable to pay its due debts (*passif exigible*) with its immediately available assets (*actif disponible*) taking into account available credit lines, existing debt rescheduling agreements and moratoria.

The date of insolvency (*état de cessation des paiements*) is generally deemed to be the date of the court order commencing the judicial reorganization or judicial liquidation proceedings, unless the court sets an earlier date, which may be carried back up to 18 months before the date of such court order. Except for fraud, the date of insolvency may not be fixed at an earlier date than the date of the final court decision that approved an agreement (homologation) in the context of conciliation proceedings. The date of insolvency marks the beginning of the hardening period (see below).

Court-assisted Proceedings

A French debtor facing difficulties may in certain conditions request the commencement of court-assisted proceedings (*mandat ad hoc or conciliation*), the aim of which is to reach an agreement with the debtor's main creditors and stakeholders e.g. an agreement to reduce or reschedule its indebtedness.

Mandat ad hoc proceedings may only be initiated by the debtor itself, in its sole discretion. In practice, *mandat ad hoc* proceedings are used by debtors that are facing any type of difficulties but are not insolvent (see "—*Insolvency test*" above). The proceedings are informal and confidential by law (save for the disclosure of the court decision appointing the *mandataire ad hoc* to the statutory auditors, if any). They are carried out under the aegis of a court-appointed officer (*mandataire ad hoc*), whose name may be suggested by the debtor itself, under the supervision of the president of the court. The proceedings are not limited in time. The duties of the *mandataire ad hoc* are determined by the competent court (usually the commercial court) that appoints such officer, usually to facilitate negotiations with creditors. Any agreement between the debtor and its creditors will be negotiated on a purely consensual and voluntary basis: those creditors not willing to take part cannot be bound by the agreement nor forced to accept it. *Mandat ad hoc* proceedings do not automatically stay any pending proceedings and creditors are not barred from taking legal action against the debtor to recover their claims but those that have accepted to take part in the proceedings usually accept not to do so for their duration. In any event, the debtor retains the right to petition the relevant judge for a grace period under Article 1343-5 of the French Civil Code (see "—*Grace periods*" above). The agreement reached is reported to the president of the court but is not formally approved by it.

Conciliation proceedings may only be initiated by the debtor itself if it faces actual or foreseeable difficulties of a legal, economic or financial nature and is not insolvent (see "—*Insolvency test*" above) or has not been insolvent for more than 45 calendar days. The proceedings are confidential by law (save for the disclosure of the court decision commencing the proceedings to the statutory auditors, if any). They are carried out under the aegis of a court-appointed conciliator (*conciliateur*), whose name may be suggested by the debtor itself, under the supervision of the president of the court. The proceedings may last up to five months (after an initial period of a maximum of four months, upon request of the conciliator, the court may extend the conciliation period up to the absolute maximum of five months). In case the debtor intends to have the conciliation agreement approved (*homologué*) or acknowledged (*constaté*), its request must be filed by the end of this five-month period, even though the hearing can take place afterwards, in which case the conciliation period will be extended until the decision of the president of the court or the court itself.

Pursuant to Article 1 of Ordinance n° 2020-1443 dated November 25, 2020 adopted in the context of the COVID-19 pandemic, in force as from November 26, 2020, until December 31, 2021, at the request of the conciliator, the duration of conciliation proceedings commenced up to and including December 31, 2021 may be extended, one or more times, by a reasoned decision of the president of the court up to a maximum of ten months.

The duties of the conciliator are to assist the debtor in negotiating an agreement with all or part of its creditors and/or other stakeholders that puts an end to its difficulties, e.g. providing for the restructuring of its indebtedness. Any agreement between the debtor and its creditors/stakeholders will be negotiated on a purely consensual and voluntary basis: those creditors not willing to take part cannot be bound by the agreement nor forced to accept it. Conciliation proceedings do not automatically stay any pending proceedings and creditors are not barred from taking legal action against the debtor to recover their claims but those that have accepted to take part in the proceedings usually accept not to do so, and creditors may not request the opening of insolvency proceedings (*redressement judiciaire or liquidation judiciaire*) against the debtor, for the duration of the conciliation proceedings. Pursuant to Article L. 611-7 of the French Commercial Code, during the proceedings, the debtor retains the right to petition the judge that commenced them for a grace period in accordance with Article 1343-5 of the French Civil Code (see "*—Grace periods*" above) provided that a creditor has formally put the debtor on notice to pay, or is suing for payment; the judge will take its decision after having heard the conciliator and may condition the duration of the measures it orders to reaching an agreement in the conciliation proceedings.

Due to the COVID-19 epidemic and state of health emergency that was imposed by the French government, Ordinance n° 2020-341 of March 27, 2020, Ordinance n° 2020-596 of May 20, 2020, Ordinance n° 2020-1443 of November 25, 2020 and Law n° 2020-1525 dated December 7, 2020 (see article 124) have, in addition to their duration (see above), further modified conciliation proceedings to provide that, until December 31, 2021:

- if a creditor does not accept, by the deadline set by the conciliator, a request made by the conciliator to defer payment of such creditor's claim for the duration of the conciliation proceedings, the debtor may request from the President of the Commercial Court in ex-parte proceedings, for the duration of the conciliation proceedings:
    - the stay or prohibition of any legal action for payment or for termination of a contract for a payment default;
    - the stay or prohibition of any judicial enforcement measure against the debtor's movable or immovable property as well as any judicial procedure relating to the distribution of the debtor's assets that would not have already transferred ownership away from the debtor; or
    - the deferral or rescheduling of the creditor's claim for the duration of conciliation proceedings;
- the debtor may petition the judge that commenced conciliation proceedings for a grace period in accordance with Article 1343-5 of the French Civil Code (see "*—Grace*

periods" above) even before the creditor sends any notice to pay or initiates any suit for payment if a creditor does not accept, by the deadline set by the conciliator, a request made by the conciliator to suspend payment of such creditor's claim.

The conciliation agreement reached between the parties may be acknowledged (constaté) by the president of the Commercial Court at the request of the parties, which makes the agreement binding upon them (in particular, performance of the conciliation agreement prevents any action by the creditors party thereto against the debtor to obtain payment of claims governed by the conciliation agreement) and enforceable without further recourse to a judge (*force exécutoire*), but the conciliation proceedings remain confidential.

Alternatively, the conciliation agreement may be approved (*homologué*) by the Commercial Court at the request of the debtor following a hearing held for that purpose to which the works council or employee representatives, as the case may be, must be convened if (i) the debtor is not insolvent or the conciliation agreement has the effect of putting an end to the debtor's insolvency, (ii) the conciliation agreement effectively ensures that the company will survive as a going concern and (iii) the conciliation agreement does not impair the rights of the non-signatory creditors. Such approval will have the same effect as its acknowledgement (*constatation*) as described above and, in addition:

- the decision of approval by the relevant Civil or Commercial Court, which should only disclose the amount of any New Money Lien (see below) and the guarantees and security interests granted to secure the same, will be public but the agreement itself should otherwise remain confidential except vis-à-vis the works council or employee representatives that are informed of the content of the conciliation agreement and may have access to the full conciliation agreement at the clerk's office (*greffe*) of the Court;

- creditors that, in the context of the conciliation proceedings, provide new money, goods or services designed to ensure the continuation of the business of the debtor (other than shareholders providing new equity in the context of a capital increase) will enjoy a priority of payment over all pre-commencement and post-commencement claims (except with respect to certain pre-commencement or post-commencement employment claims and procedural costs) (the "**New Money Lien**"), in the event of subsequent safeguard proceedings, judicial reorganization proceedings or judicial liquidation proceedings;

- in the event of subsequent safeguard, accelerated safeguard, accelerated financial safeguard, judicial reorganization or judicial liquidation proceedings, the claims benefiting from the New Money Lien may not, without their holders' consent, be rescheduled to a date later than the date on which the safeguard or reorganization plan is adopted nor written off, not even by the creditors' committees (the powers of the bondholders general meeting in this respect are the subject of debate);

- when the debtor is submitted to statutory auditing, the conciliation agreement is communicated to its statutory auditors; and

- in the event of subsequent judicial reorganization proceedings or judicial liquidation proceedings, the date of insolvency (see "*—Insolvency test*" above), and therefore the starting date of the hardening period (as defined below under "*—The "hardening period" (période suspecte) in judicial reorganization and liquidation proceedings*"), cannot be set by the court as of a date earlier than the date of the approval (*homologation*) of the agreement by the court (except in case of fraud).

Whether the conciliation agreement is acknowledged or approved, the court may, at the request of the debtor, appoint the conciliator to monitor the implementation of the agreement (*mandataire à l'exécution de l'accord*) during its execution and, while the agreement is in force:

- interest accruing on the claims that are the subject to the conciliation agreement may not be compounded;

- in accordance with Article L. 611-10-1 of the French Commercial Code, the debtor retains the right to petition the judge that commenced the conciliation proceedings to impose grace periods on creditors who were asked to participate in the conciliation proceedings (other than the tax and social security administrations) and have formally put the debtor on notice to pay or are suing for payment of claims that were not dealt with in the conciliation agreement, such decision being taken after hearing the conciliator if he/she has been appointed to monitor the implementation of the agreement and, taking into account the conditions of its performance; and

- a joint-debtor and a third party that had previously granted credit support (a guarantee or security interest) with respect to the debtor's obligations may benefit from the provisions of the conciliation agreement as well as from grace periods granted to the debtor in the context of conciliation proceedings.

If the debtor breaches the terms of the conciliation agreement, any party to it may petition the president of the court or the court (depending on whether the agreement was acknowledged or approved) for its termination. If such termination is granted, grace periods granted in relation to the conciliation proceedings may be revoked. Conversely, provided the conciliation agreement is duly performed, any individual proceedings by creditors with respect to obtaining payment of the claims dealt with by the conciliation agreement are suspended and/or prohibited. The commencement of subsequent safeguard or insolvency proceedings will automatically put an end to the conciliation agreement, in which case the creditors will recover their claims (decreased by the payments already received) and pre-existing security interests or guarantees.

Conciliation proceedings in which a draft plan is supported by a large majority of creditors that is likely to meet the threshold requirements for creditors' consent in safeguard is a mandatory preliminary step of accelerated safeguard proceedings or accelerated financial safeguard proceedings, as described below.

At the request of the debtor and after the creditors taking part in the proceedings have been consulted on the matter, *mandat ad hoc* and conciliation proceedings may also be used to organize the partial or total sale of the debtor, in particular through a "plan for the disposal of the business" (Prepack sale—*plan de cession*) that could be implemented in the context of subsequent safeguard, judicial reorganization or liquidation proceedings. Provided that they comply with certain requirements, any offers received in this context by the *mandataire ad hoc* or the conciliator may be directly considered by the court in the context of safeguard, judicial reorganization or judicial liquidation proceedings after consultation of the State prosecutor.

As a matter of law, any contractual provision that (i) modifies the conditions for the continuation of an ongoing contract by reducing the debtors' rights or increasing its obligations simply by reason of the designation of a *mandataire ad hoc* or of the commencement of conciliation proceedings or of a request submitted to this end or requires the debtor to bear, by reason only of the appointment of a *mandataire ad hoc* or of the commencement of conciliation proceedings, more than three-quarters of the fees of the professional advisers retained by creditors in connection with these proceedings, is deemed null and void.

Where the maximum time period allotted to court-assisted proceedings expires without an agreement being reached, the proceedings will end. The termination of such proceedings does not, in and of itself entail any specific legal consequences for the debtor, in particular it does not result in the automatic commencement of insolvency proceedings. New conciliation proceedings cannot be commenced before 3 months have elapsed as from the end of the previous ones.

Court-administered Proceedings—Safeguard

A debtor that experiences difficulties that it is not able to overcome may, in its sole discretion, initiate safeguard proceedings (*procédure de sauvegarde*) with respect to itself, provided that it is not insolvent (see "*—Insolvency test*" above). Creditors of the debtor are not notified of, nor invited to attend the hearing before the court at which the commencement of safeguard proceedings is requested. However, they may still challenge the opening judgment provided certain criteria are met. Following the commencement of safeguard proceedings, a court-appointed administrator (*administrateur judiciaire*) is appointed (except for small companies where the court considers that such appointment is not necessary) to investigate the business of the debtor during an "observation period" (being the period starting on the date of the court decision commencing the proceedings and ending on the date on which the court takes a decision on the outcome of the proceedings), which may last up to 18 months. The role of the court-appointed administrator is also to assist the debtor in preparing a draft safeguard plan (*projet de plan de sauvegarde)* that it will circularize to its creditors that may include a partial sale of the business. Creditors do not have effective control over the proceedings, which remain in the hands of the debtor assisted by the court-appointed administrator. The court-appointed administrator will, in accordance with the terms of the judgment appointing such administrator, exercise ex post facto control over decisions made by the debtor (*mission de surveillance*) or assist the debtor to make all or some of the management decisions (*mission d'assistance*), all under the supervision of the court. A supervisory judge (*juge-commissaire*) and a creditors' representative (*mandataire judiciaire*) are also appointed at the beginning of the proceedings, alongside the court-appointed administrator. Management decisions that fall outside the scope of the ordinary course of business require the prior approval of the supervisory judge. Granting security interests or settling disputes also require the prior approval of the supervisory judge.

If, after commencement of the proceedings, it appears that the debtor was insolvent (*en état de cessation des paiements*) before their commencement, at the request of the debtor, the administrator, the creditors' representative or the Public Prosecutor but, in any event, after having heard the debtor, the court may convert the safeguard proceedings into judicial reorganization proceedings.

In addition, pursuant to Article L. 622-10 of the French Commercial Code, the court may convert safeguard proceedings into (i) judicial reorganization proceedings (a) at any time during the observation period if the debtor is insolvent or, (b) if the approval of a safeguard plan is manifestly impossible and if the company would shortly become insolvent should safeguard proceedings end or (ii) judicial liquidation proceedings at any time during the observation period if the debtor is insolvent and its recovery is manifestly impossible. In all such cases:

- the court may decide at the request of the debtor, the court-appointed administrator, the creditors' representative or the Public Prosecutor except in the case of (i) (b);
- the court may not act upon its own initiative, except in the case of (i) (b); and
- the court's decision is only taken after having heard the debtor, the court-appointed administrator, the creditors' representative, the creditors of the debtor appointed by the

court as controller ("*contrôleurs*") (if any), the State prosecutor and the workers' representatives (if any).

In case of (i)(b) only, the court would decide the conversion (i) at the request of the court-appointed administrator, the creditors' representative or the State Prosecutor if the draft plan was not approved by the relevant creditors' committees and, if any, the bondholders' general meeting or (ii) at the sole request of the debtor in all other circumstances. As soon as safeguard proceedings are commenced, any unpaid amount of share capital of the debtor becomes immediately due and payable.

Due to the COVID-19 epidemic and state of health emergency that was imposed by the French government, Ordinance n° 2020-596 dated May 20, 2020 and Law n° 2020-1525 dated December 7, 2020 (see article 124) modified safeguard proceedings to provide that:

- as an incentive for new financings granted to debtors in the context of safeguard or reorganization proceedings a new safeguard or reorganization privilege is created, applicable exclusively to proceedings commenced between May 22, 2020 and December 31, 2021. The S/R Lien is distinct from the existing statutory preference enjoyed by financing granted, with the approval of the supervisory judge, after commencement of the proceedings, for the needs of the proceedings or of the observation period.

- The S/R Lien applies to all new cash contributions made, with the exception of those made through a share capital increase, by any person:

    - during the observation period, in order to ensure the continuity of debtor's business and its sustainability, in which case such cash contributions must be authorized by the supervisory judge, or

    - for the implementation of the safeguard or reorganization plan, i.e., within the plan as approved or modified by the court, and for the purposes of its execution, it being specified that the judgment must mention all claims benefiting from the privilege, as well as the relevant amounts.

- Claims benefiting from the S/R Lien enjoy a priority of payment over pre-commencement and post- commencement claims except with respect to (i) employees' super-privilege claims, (ii) procedural costs and the New Money Lien, (iii) pre-commencement claims secured by real estate security interest (in judicial liquidation proceedings only) and (iv) post-commencement wages claims not advanced by the French wages fund under provisions of article L.3253-8 to article L.3253-13 of the French Labor Code, in the event of on-going or subsequent safeguard proceedings, judicial reorganization proceedings or judicial liquidation proceedings.

- Such claims may not be termed-out or written-off without the consent of the relevant creditors.

Once safeguard proceedings have been ordered, there will be and automatic stay applicable to certain claims. Payment by the debtor of any debts incurred (i) prior to the commencement of the proceedings or (ii) after the commencement of the proceedings if not incurred for the purposes of the proceedings or the observation period or in consideration of services rendered/goods delivered to the debtor, is prohibited, subject to very limited exceptions. For example, the supervisory judge can authorize payments for prior debts in order to discharge a lien on property needed for the continued operation of the debtor's business or to recover goods or rights transferred as collateral in a fiduciary estate (*patrimoine fiduciaire*).

Creditors must be consulted on the manner in which the debtor's liabilities will be settled under the safeguard plan (debt write-offs, payment terms or debt-for-equity-swaps) prior to the plan being approved by the court. The rules governing consultation will vary depending on the size of the business.

Standard consultation: this applies in respect of debtors whose accounts are not certified by a statutory auditor or prepared by a chartered accountant or, if they are, who have 150 employees or less or a turnover of €20 million or less unless, upon their or the administrator's request and with the consent of the court, they are subject to the committee-based consultation (see below).

In such case, the administrator notifies the proposals for the settlement of debts to the court-appointed creditors' representative, who seeks the agreement of each creditor who filed a claim, regarding the debt write-offs and payment schedules proposed.

French law does not state whether the debt settlement proposals can vary according to the creditor and whether the principle of equal treatment of creditors is applicable at this consultation stage. According to legal commentaries and established practice, differing treatment as between creditors is possible, provided that it is justified by the difference in situation of the creditors and approved by the court-appointed creditors' representative. In practice, it is also possible at the consultation stage to make a proposal for a partial payment of claims over a shorter time period instead of a full payment of such claims over the length of the plan (ten years maximum except for agricultural businesses where the maximum is fifteen years).

Creditors whose payment terms are not affected by the plan or who are paid in cash in full as soon as the plan is approved are not required to be consulted.

Creditors that do not respond within 30 days of their receipt of the debt settlement proposal (other than debt-for-equity-swap) made to them are deemed to have accepted it. The creditors' representative keeps a list of the responses from creditors, which is notified to the debtor, the court-appointed administrator and the controllers.

Pursuant to Article 4 of Ordinance No. 2020-596 dated May 20, 2020 adopted in the context of the COVID-19 pandemic, in force from May 21, 2021 and Law n° 2020-1525 dated December 7, 2020, until December 31, 2021, the abovementioned 30-day delay may be reduced to 15 days, at the request of the court-appointed administrator or the court-appointed creditors' representative.

Within the framework of a standard consultation, the court that approves the safeguard plan (*plan de sauvegarde*) can impose a uniform rescheduling of the claims of creditors having refused the proposals that were submitted to them (subject to specific regimes such as the one applicable to claims benefiting from the New Money Lien or the S/R Lien) over a maximum period of ten years (except for agricultural businesses where the maximum is fifteen years and for claims with maturity dates of more than the deferral period set by the court, in which case the maturity date shall remain the same), but no write-off of any claim or debt-for-equity swap may be imposed without the relevant creditor's individual acceptance.

Following a court imposed rescheduling, the first payment must be made within a year of the judgment adopting the plan (in the third and subsequent years, the amount of each annual instalment must be of at least 5% of the amount of each debt claim (except for agricultural businesses)) or on the first payment date following the initial maturity of the claim if it is later than the first payment date provided for by the plan, in which case the amount of such first payment is equal to what the creditor would have received had he been paid in accordance with the uniform payment rescheduling applying to the other creditors.

Pursuant to Article 5 of Ordinance No. 2020-596 dated May 20, 2020 adopted in the context of the COVID-19 pandemic, in force from May 21, 2021 and Law n° 2020-1525 dated December 7, 2020 until December 31, 2021, the maximum length of a plan can be extended to 12 years, or 17 years for agricultural businesses:

- this extension does not require to go through the process of the substantial modification of the plan (*modification substantielle du plan*); and

- the payment instalment deadlines initially set by the president of the court or the court would be adapted to the duration of the plan so extended, with possible deviation from the provisions of Article L. 626-8 (including the obligation to pay an annual instalment of 5% minimum as from year 3) and application of grace periods provisions within the limit of the new term of the plan so extended.

Committee-based consultation: This applies to large companies, whose accounts are certified by a statutory auditor (*commissaire aux comptes*) or established by a chartered-accountant (*expert-comptable*) and with more than 150 employees or a turnover greater than €20 million), or upon the debtor's or the administrator's request and with the consent of the court in the case of debtors that do not meet the aforementioned thresholds.

The consultation involves the submission of a proposed safeguard plan for consideration by two creditors' committees that are established by the court-appointed administrator on the basis of the claims that arose prior to the judgment commencing the proceedings:

- one for credit institutions or assimilated institutions and entities having granted credit or advances in favor of the debtor (or their successors or assignees of a claim acquired from a supplier) (the "credit institutions committee"); and

- the other one for suppliers having a claim that represents more than 3% of the total amount of the claims of all the debtor's suppliers and other suppliers invited to participate in such committee by the court-appointed administrator (the "major suppliers committee").

If there are any outstanding debt securities in the form of obligations (such as bonds or notes and including capital market debt instruments such as the Notes), a single general meeting of all holders of such debt securities will be established (the "bondholders general meeting"), in which all such holders are to take part irrespective of whether or not there are different issuances or of the governing law(s) of those obligations.

As a general matter, only the legal owner of the debt claim will be invited onto the committee or the bondholders general meeting. Accordingly, a person holding only an economic interest therein will not itself be a member of the committee or the bondholders general meeting.

The proposed plan:

- must "take into account" subordination agreements entered into by the creditors before the commencement of the proceedings;

- may treat creditors differently if it is justified by their differences in situation; and

- may, *inter alia*, include a rescheduling or cancellation of debts (subject to the specific regime of claims benefiting from the New Money Lien or the S/R Lien), and/or debt-for-equity swaps (debt-for-equity swaps requiring the relevant shareholder consent).

If the plan provides for a share capital increase, the shareholders may subscribe to such share capital increase by way of a set-off against their claims against the debtor (as reduced according to the provisions of the plan, where applicable).

The creditors' committees and the bondholders general meeting will be consulted on the safeguard plan drafted by the debtor's management together with the judicial administrator during the observation period. Creditors that are members of the credit institutions committee or of the major suppliers committee may also prepare alternative safeguard plans in accordance with the above principles that will also be put to the vote of the committees and of the general bondholders meeting, it being specified that approval of any such alternative plan is subject to the same two-thirds majority vote in each committee and in the bondholders general meeting and gives rise to a report by the court-appointed administrator (*administrateur judiciaire*). Bondholders are not permitted to present their own alternative plan. The committees must approve or reject the safeguard plan within 20 to 30 days of its submission. The period may be extended or shortened but may never be shorter than 15 days. The plan must be approved by a majority vote of each committee (two-thirds of the outstanding claims of the creditors casting a vote).

Each member of a creditors committee or of the bondholders general meeting must, if applicable, inform the court-appointed administrator of the existence of any agreement relating to (i) the exercise of its vote or (ii) the full or total payment of its claim by a third party as well as of any subordination agreement. The court-appointed administrator shall then submit to such person a proposal for the computation of its voting rights in the creditors committee/bondholders general meeting. In the event of disagreement, the matter may be ruled upon by the president of the Commercial Court in summary proceedings at the request of the creditor or of the court- appointed administrator. Following the approval of the plan by the two creditors' committees, the plan will be submitted for approval to the bondholders general meeting at the same two-thirds majority vote. The same rules as set forth in the paragraph above apply to the bondholders general meeting.

Creditors whose repayment schedule is not modified by the plan, or for which the plan provides for a payment of their claims in cash in full as soon as the plan is adopted or as soon as their claims are admitted do not take part in the vote at the creditors' committees or the bondholders general meeting.

The rescheduling of the claims of creditors that are not members of the committees or bondholders shall be determined in accordance with the standard consultation process referred to above. Creditors secured by a trust (*fiducie*) granted by a debtor are not members of the creditors' committees and are consulted in accordance with such standard consultation process.

Once the treatment of the creditors has been determined, the plan has to be approved (*arrêté*) by the court. The court must verify that the interests of all creditors are "sufficiently protected" and that required shareholder consent (if applicable) has been obtained. Once so approved by the relevant court, the safeguard plan will be binding on all the members of the committees and all bondholders (including those who did not vote or voted against the adoption of the plan).

If the debtor's proposed plan is not approved by both committees and the bondholders general meeting within the first six months of the observation period (either because they do not vote on the plan or because they reject it), this six month period may be extended by the court at the request of the court-appointed administrator for a period not exceeding the duration of the observation period, in order for the plan to be approved through the committee-based consultation process. Absent such extension, the court can still adopt a safeguard plan within the time remaining until the end of the observation period. In such a case, the rules are the same as the ones applicable for the standard consultation process described above.

If the draft plan provides for a modification of the share capital or the by-laws, the court may decide that the shareholders general meeting and, as the case may be, the general meetings of the holders of securities giving access to the share capital of the company shall vote, the first time the relevant meeting is convened, at a simple majority of the votes of the shareholders attending, or represented at, the meeting, provided that they hold at least half of the shares with voting rights. The second time the meeting is convened, the usual provisions relating to quorum and majority shall apply.

If the court adopts a safeguard plan, it can set a time-period during which the assets that it deems to be essential to the continuation of the business of the debtor may not be sold without its consent.

Specific case—Creditors that are public institutions: public creditors (financial administrations, social security and unemployment insurance organizations) may agree to grant debt write-offs under conditions that are similar to those that would be granted under normal market conditions by a private economic operator placed in a similar position. Public creditors may also decide to enter into subordination agreements for liens or mortgages, or relinquish these security interests. Public creditors examine possible debt write-offs within the framework of a local administrative committee (*Commission des Chefs de Services Financiers*). The tax authorities may grant relief from all direct taxes. As regards indirect taxes, relief may only be granted from default interest, adjustments, penalties or fines.

Court-administered Proceedings—Accelerated Safeguard and Accelerated Financial Safeguard

A debtor that is engaged in conciliation proceedings which is able to reach a conciliation agreement (supported by creditors representing a significant amount of its claims without being able to reach an unanimous agreement) may request the commencement of accelerated safeguard proceedings (*procédure de sauvegarde accélérée*) or accelerated financial safeguard proceedings (*procédure de sauvegarde financière accélérée*) enabling it to implement a restructuring plan in an expedite fashion through the vote of its creditors gathered in creditors' committees and the bondholders' general meeting (where applicable) at a two-third majority.

The accelerated safeguard proceedings and accelerated financial safeguard proceedings have been designed to "fast-track" the treatment of difficulties faced by large companies, i.e., those:

- that publish consolidated accounts in accordance with Article L. 233-16 of the French Commercial Code; or
- whose accounts are certified by a statutory auditor or established by a certified public accountant and who have (i) more than 20 employees or (ii) a turnover greater than €3 million (excluding VAT) or whose aggregate balance sheet exceeds €1.5 million.

However, Ordinance n° 2020-596 dated May 20, 2020 and Law n° 2020-1525 dated December 7, 2020 provide that these thresholds will no longer be required for proceedings commenced between May 22, 2020 and December 31, 2021.

If the debtor does not meet the conditions that require creditors' committees (see above) to be constituted, the court shall authorize such constitution in the opening decision.

To be eligible to accelerated safeguard proceedings or accelerated financial safeguard proceedings, the debtor must fulfil the following conditions:

- the debtor must not have been insolvent for more than 45 days when it initially applies for commencement of conciliation proceedings;
- the debtor must be subject to ongoing conciliation proceedings when it applies for the commencement of the proceedings;
- as is the case for regular safeguard proceedings, the debtor must face difficulties that it is not in a position to overcome; and
- the debtor must have prepared a draft safeguard plan ensuring the continuation of its business as a going concern that is supported by enough of its creditors involved in the proceedings to render likely its adoption by the relevant committees (credit institutions' committee only for financial accelerated safeguard proceedings) and bondholders general meeting, if any, within a maximum of three months following the commencement of accelerated safeguard proceedings, or within a maximum of two months following the commencement of accelerated financial safeguard proceedings.

While accelerated safeguard proceedings apply to all creditors (except employees), accelerated financial safeguard proceedings apply only to "financial creditors" (i.e., creditors that belong to the credit institutions committee and bondholders general meeting), the payment of whose debt is suspended until adoption of a plan through accelerated financial safeguard proceedings. The debtor will be prohibited from paying, to any creditor to whom the accelerated safeguard or accelerated financial safeguard proceedings (as the case may be) apply, any amounts (including interest) in respect of debts incurred (i) prior to the commencement of the proceedings or (ii) after the commencement of the proceedings if not incurred for the purposes of the proceedings or the observation period or in consideration of services rendered/goods delivered to the debtor (post-commencement non-privileged debts). Such amounts may be paid only after the judgment of the court approving the safeguard plan and in accordance with its terms. Creditors other than financial creditors (such as public creditors, the tax or social security administration and suppliers) are not directly impacted by accelerated financial safeguard proceedings. Their debts will continue to be due and payable in the ordinary course of business according to their contractual or legal terms.

The regime applicable to standard safeguard proceedings is broadly applicable to accelerated safeguard or accelerated financial safeguard proceedings (for example, creditors will be consulted by way of a committee- based consultation on, as the case may be, a draft accelerated safeguard plan (*projet de plan de sauvegarde accélérée*) or a draft accelerated financial safeguard plan (*projet de plan de sauvegarde financière accélérée*) and creditors that are members of the credit institutions committee or the major suppliers committee, but not bondholders, may also prepare alternative draft plans as described above), to the extent compatible with the accelerated timing, since the maximum duration of accelerated safeguard proceedings is three months and the maximum duration of accelerated financial safeguard proceedings is two months (provided the court has decided to extend the initial one month period). In particular, the creditors' committees and the bondholders general meeting are required to vote on the proposed safeguard plan within a minimum period of 15 days of its being notified to them in the case of accelerated safeguard proceedings, or within eight days in the case of accelerated financial safeguard proceedings.

However, certain provisions relating to ongoing contracts and to the recovery of assets by their owners do not apply in accelerated safeguard or accelerated financial safeguard proceedings.

The plan in the context of accelerated safeguard proceedings or accelerated financial safeguard proceedings is adopted following the same majority rules as in standard safeguard proceedings and may notably provide for rescheduling, debt cancellation and conversion of debt into equity capital of the debtor (debt-for-equity swaps requiring relevant shareholder consent). No debt rescheduling or cancellation may be imposed, without their consent, on creditors that do not belong to one of the committees or are not bondholders.

If a plan is not adopted by the creditors and approved by the court within the applicable deadline, the court shall terminate the proceedings. The court cannot reschedule amounts owed to the creditors outside of the committee process. Ordinance n° 2020-596 dated May 20, 2020 and Law n° 2020-1525 dated December 7, 2020 provide that for proceedings commenced between May 22, 2020 and December 31, 2021, if a plan is not adopted by the creditors and approved by the court within the applicable deadline the debtor, the judicial administrator, the creditors representative or the public prosecutor may request, without any delay, that reorganization or liquidation proceedings (as the case may be) be opened.

The list of claims of creditors party to the conciliation proceedings certified by the statutory auditor shall be deemed to constitute the filing of such claims for the purpose of accelerated safeguard proceedings or, as applicable, accelerated financial safeguard proceedings unless the creditors otherwise elect to make such a filing (see below).

Court-administered Proceedings—Judicial Reorganization or Liquidation Proceedings

Judicial reorganization (*redressement judiciaire*) or liquidation (*liquidation judiciaire*) proceedings may be initiated against or by a debtor only if it is insolvent and, in the case of liquidation proceedings only, if the debtor's recovery is manifestly impossible. The debtor is required to petition for judicial reorganization or liquidation proceedings, within 45 days of becoming insolvent if it does not file for conciliation proceedings (as discussed above); de jure managers (including directors) and, as the case may be, de facto managers that would have failed to file such a petition within the deadline are exposed to civil liability.

Where the debtor requested the commencement of judicial reorganization proceedings and the court, after having heard the debtor, considers that judicial liquidation proceedings would be more appropriate, it may order the commencement of the proceedings that it determines to be most appropriate. The same would apply if the debtor requested the commencement of judicial liquidation proceedings and the court considered that judicial reorganization proceedings would be more appropriate. In addition, at any time during the observation period, upon request of the debtor, the court-appointed administrator, the creditors' representative (*mandataire judiciaire*), a controller, the State prosecutor or upon its own initiative, the court may convert the judicial reorganization proceedings into judicial liquidation proceedings if it appears that the debtor's recovery is manifestly impossible. The court's decision is only taken after having heard the debtor, the court-appointed administrator, the creditors' representative, the controllers, the State prosecutor and the workers' representatives (if any).

The objectives of judicial reorganization proceedings are the sustainability of the business, the preservation of employment and the payment of creditors, in that order.

As soon as judicial reorganization or judicial liquidation proceedings are commenced, any unpaid amount of share capital of the debtor becomes immediately due and payable.

In the event of judicial reorganization proceedings, an administrator (*administrateur judiciaire*) is usually appointed by the court to investigate the business of the debtor during an observation period, which may last up to 18 months, and make proposals either for the reorganization of the debtor (by helping the debtor to elaborate a draft judicial reorganization plan, which is similar to a draft safeguard plan and may include a partial sale of the business), the partial or total sale of the business or the liquidation of the debtor. The court-appointed administrator will assist the debtor in making management decisions (*mission d'assistance*) or may be empowered by the court to take over the management and control of the debtor (*mission d'administration*). Judicial reorganization proceedings broadly take place in a manner that is similar to safeguard proceedings (see above), subject to certain specificities.

In particular, the rules relating to creditor consultation, especially the powers of the court adopting the judicial reorganization plan (*plan de redressement*) in the event of rejection by the creditors of proposals made to them, are the same (see above). At any time during the observation period, the court can, at the request of the debtor, the court-appointed administrator, the creditors' representative (*mandataire judiciaire*), the State prosecutor or at its own initiative, order the partial stop of the activity (*cessation partielle de l'activité*) or order the liquidation of the debtor if its recovery is manifestly impossible. At the end of the observation period, the outcome of the proceedings is decided by the court.

In addition, Ordinance n° 2020-596 dated 20 May 2020 modified the judicial reorganization proceedings to provide for the new S/R Lien (as defined and detailed above see "*—Court-administered Proceedings— Safeguard*").

In judicial reorganization proceedings, in case a shareholders' meeting needs to vote to bring the shareholders' equity to a level equal to at least one half of the share capital as required by Article L. 626-3 of the French Commercial Code, the administrator may appoint a court officer (*mandataire de justice*) to convene a shareholders' meeting and to vote the restoration of the shareholders' equity up to the amount proposed by the court-appointed administrator on behalf of the shareholders that refuse to vote in favor of such a resolution if the draft restructuring plan provides for a modification of the equity to the benefit of a third party(ies) undertaking to comply with the reorganization plan.

If the proposed reorganization plans are manifestly not likely to ensure that the debtor will recover or if no reorganization plan is proposed, the court, upon the request of the court-appointed administrator, can order the total or partial transfer of the business in accordance with the process for a sale of the business described below.

In judicial reorganization proceedings if (i) the company has at least 150 employees, or if it controls (within the meaning of the French Labor Code) one or more companies having together at least 150 employees, (ii) the disappearance of the company is likely to cause serious harm to the national or regional economy and to local employment (iii) the modification of the company's share capital appears to be the only credible way to avoid harm to the national or regional economy and to allow the continued operation of the business as a going concern, then, at the request of the court-appointed administrator or of the State prosecutor (x) after the review of the options for a total or partial sale of the business and (y) if at least 3 months have elapsed as from the court decision commencing the proceedings, provided that the shareholders meetings required to approve the modification of the company's share capital required for adoption of the reorganization plan have refused such modification, the insolvency court may either:

- appoint a court officer (*mandataire*) in order to convene the shareholders meeting and vote the share capital increase in lieu of the shareholders having refused to do so, up to the amount provided for in the reorganization plan; or
- order, in favor of the persons who have undertaken to perform the reorganization plan, the forced sale of all or part of the share capital held by the shareholders having refused the share capital modification and holding, directly or indirectly a portion of the share capital providing them with a majority of the voting rights (including as a result of an agreement with other shareholders) or a blocking minority in the company's shareholder meetings, any consent clause being deemed unwritten; the other

shareholders have the right to withdraw from the company and request that their shares be purchased simultaneously by the transferees.

In the event of a sale ordered by the court, the price of the shares shall, failing agreement between the parties, be set by an expert designated by the court in summary proceedings.

In either of the above cases, the reorganization plan shall be subject to the undertaking of the new shareholders to hold their shares for a certain time period set by the court that may not exceed the duration of the reorganization plan.

If the court decides to order the judicial liquidation of the debtor, the court will appoint a liquidator, which is generally the former creditors' representative (mandataire judiciaire). There is no observation period in judicial liquidation proceedings nor does the law limit their duration (except with respect to simplified judicial liquidation proceedings). The liquidator is vested with the power to represent the debtor and perform the liquidation operations (mainly liquidate the assets and settle the liabilities to the extent the proceeds from the liquidated assets are sufficient, in accordance with the creditors' priority order of payment). The liquidator will take over the management and control of the debtor and the managers of the debtor are no longer in charge of its management.

Concerning the liquidation of the assets of the debtor, there are two possible outcomes, both of which are decided by the court without a vote of the creditors:

- a sale of the business (*cession d'entreprise*) (in which case a court-appointed administrator (*administrateur judiciaire*) will usually be appointed to manage the debtor during a temporary period of continuation of the business operations ordered by the court (three months, renewable once) and organize such sale of the business as a going-concern via an asset sale, a.k.a. a "sale plan" (*plan de cession*)), any third party (as construed under French insolvency law) being entitled to present a bid on all or part of the debtor's business;

As part of the bids submitted to the court, the third-party purchaser can cherry-pick assets (including the real estate assets)/jobs/contracts without the liabilities pertaining to them (save exceptions). The price offered for the transferred assets (including the real estate assets) is offered usually at a significant discount compared to their in bonis market value. The court will tend to favor a credible sale plan, that ensures the sustainability of the business as a going concern, and the preservation of jobs, over the payment of creditors.

Subject to certain exceptions, the court can judicially impose such a sale plan on creditors, including secured creditors and mortgagees as a general principle, the payment of the purchase price operating to release their security interests. By way of exception:

- o a purchaser is obliged to continue to pay the remaining instalments due to creditors having granted financing for the acquisition of assets, used as collateral for such creditors and included in the sale of the business plan; and

- o only those secured creditors benefitting from a retention right (which is the case for pledges over inventory or certain types of pledges over shares, but not mortgages over real estate assets) would be entitled to retain their security interest over the asset on which they have such right (and therefore in practice prevent it from being transferred) until repaid in full of their claim so secured or unless reaching an agreement with the relevant parties.

Third-party purchasers may also submit combined bids in respect of all or part of the business of several debtors subject to insolvency proceedings, in particular when the key assets are located in different legal entities subject to insolvency proceedings. Again, the price offered for the transferred assets could be significantly less than their in bonis market value;

- a sale of the individual assets of the debtor, in which case the liquidator may decide to:

  (a) launch auction sales (*vente aux enchères* (or adjudication amiable for real estate assets only));

  (b) sell on an amicable basis (*vente de gré à gré*) each asset for which spontaneous purchase offers have been received, (the formal authorization of the supervisory judge being necessary to conclude the sale agreement with the bidder); or

  (c) request, under the supervision of the supervisory judge, all potential interested purchasers to bid on each asset, as the case may be, by way of a private competitive process whereby the bidders submit their offers only at the hearing without the proposed prices being disclosed before such hearing (*procédure des plis cachetés*). However, the possibility to implement such process is questioned by certain legal authors and case-law in this respect has varied.

If the court adopts a reorganization or sale plan, it can set a time-period during which the assets that it deems to be essential to the continuation of the business of the debtor may not be sold without its consent.

The court will end the proceedings when either no due liabilities remain, the liquidator has sufficient funds to pay off the creditors (*extinction du passif*), or continuation of the liquidation process becomes impossible due to insufficiency of assets (*insuffisance d'actif*).

The court may also terminate the proceedings:

- when the interest of the continuation of the liquidation process is disproportionate compared to the difficulty of selling the assets;

- in the event where there are insufficient funds to pay off the creditors, by appointing a *mandataire* in charge of continuing ongoing lawsuits and allocating the amounts received from these lawsuits between the remaining creditors.

The "hardening period" (période suspecte) in judicial reorganization and judicial liquidation proceedings

The date of insolvency (*cessation des paiements*) of a debtor is deemed to be the date of the court order commencing the proceedings, unless the court sets an earlier date, which may be no earlier than 18 months before the date of such court order. Also, except in the case of fraud, the insolvency date may not be set at a date earlier than the date of the final court decision that approved an agreement (*homologation*) in the context of conciliation proceedings (see above). The insolvency date is important because it marks the beginning of the hardening period (*période suspecte*), being the period from the insolvency date of the debtor to the court decision commencing the judicial reorganization or liquidation proceedings affecting it.

Certain transactions entered into during the hardening period are automatically void or voidable by the court.

- Automatically void transactions include transactions or payments entered into during the hardening period that may constitute voluntary preferences for the benefit of some creditors to the detriment of other creditors. These include transfers of assets for no consideration or for a nominal consideration, contracts under which the obligations of the debtor significantly exceed the reciprocal obligations of the other party, payments of debts not due at the time of payment, payments of debts that are due made in a manner that is not commonly used in the ordinary course of business, deposits of cash or monetary instruments ordered by a court decision that has not yet become final to serve as bond or as a precautionary measure in accordance with Article 2350 of the French Civil Code, security granted for debts previously incurred (including a security to secure a guarantee obligation previously granted), provisional attachment or seizure measures (*mesures conservatoires*) (unless the attachment or seizure predates the date of insolvency), operations relating to stock options, the transfer of any assets or rights to a trust arrangement (*fiducie*) (unless such transfer is made as security for a debt simultaneously incurred), any amendment to a trust arrangement (*fiducie*) that affects assets or rights already transferred in the trust as security for debt incurred prior to such amendment, and notarized declarations of exemption of assets from seizure (*déclaration d'insaisissabilité*) pursuant to Article L. 526-1 of the French Commercial Code.

- Transactions that are voidable by the court include payments made on debts that are due, transactions for consideration, administrative seizure measures, notices of attachments made to third parties (*avis à tiers détenteur*), seizures (*saisie attribution*) and oppositions made during the hardening period, in each case if the court determines that the party dealing with the debtor knew that the debtor was insolvent at the relevant time. Transactions relating to the transfer of assets for no consideration and notarized declarations of exemption of assets from seizure (*déclaration d'insaisissabilité*) pursuant to Article L. 526-1 of the French Commercial Code are also voidable when entered into during the six-month period prior to the beginning of the hardening period. Unlike automatically void transactions, which must be set aside by the court if so requested, the court has discretion to decide whether or not it is appropriate to set aside transactions that are only "voidable."

There is no hardening period prior to safeguard proceedings, accelerated safeguard or accelerated financial safeguard proceedings (assuming the proceedings are successful).

Status of Creditors during Safeguard, Accelerated Safeguard, Accelerated Financial Safeguard, Judicial Reorganization or Judicial Liquidation Proceedings

Contractual provisions pursuant to which the commencement of the proceedings triggers the acceleration of the debt (except with respect to judicial liquidation proceedings in which the court does not order the continued operation of the business) or the termination or cancellation of an ongoing contract are not enforceable against the debtor. Nor are "contractual provisions modifying the conditions of continuation of an ongoing contract, diminishing the rights or increasing the obligations of the debtor solely upon the opening of judicial reorganization proceedings" (in accordance with a decision of the French Supreme Court dated January 14, 2014, n° 12-22.909, which case law is likely to be extended to safeguard, accelerated safeguard or accelerated financial safeguard proceedings). However, the court-appointed administrator can unilaterally decide to terminate ongoing contracts (*contrats en cours*) that it believes the debtor will not be able to continue to perform. Conversely, the court-appointed administrator can require that other parties to a contract continue to perform their obligations even though the debtor may have been in default (even prior to the opening of insolvency proceedings), but on the condition that the debtor fully performs its post-commencement contractual obligations (and provided that, in the case of judicial reorganization or judicial liquidation proceedings, absent consent to other terms of payment, the debtor pays cash on delivery). The commencement of judicial liquidation proceedings, however, automatically accelerates the maturity of all of a debtor's obligations unless the court orders the continued operation of the business with a view to the adoption of a sale plan (*plan de cession*) as described above; in such case, the acceleration of the obligations will only occur on the date of the court decision adopting the sale plan (plan de cession), as described above, or on the date on which the continued operation of the business ends.

As from the court decision commencing the proceedings:

- accrual of interest is suspended, except in respect of loans for a term of at least one year, or of contracts providing for a payment that is deferred by at least one year (however, accrued interest can no longer be compounded);

- the debtor is prohibited from paying debts incurred prior to the commencement of the proceedings, subject to specified exceptions (which essentially cover the set-off of related (*connexes*) debts and payments authorized by the supervisory judge (juge commissaire) to recover assets required by the continued operation of the business);

- the debtor is prohibited from paying debts having arisen after the commencement of the proceedings unless they were incurred for the purposes of the proceedings or of the observation period or in consideration of services rendered/goods provided to the debtor;

- debts duly arising after the commencement of the proceedings and that were incurred for the purposes of the proceedings or of the observation period, or in consideration of services rendered/goods provided to the debtor during this period, must be paid as and when they fall due and, if not, will be given priority over debts incurred prior to the commencement of the proceedings (with certain limited exceptions, such as claims secured by a New Money Lien or a S/R Lien), provided that they are duly brought to the attention of the judicial administrator or, failing one, the *mandataire judiciaire*, or, should they both have ceased to be in office, the plan commissioner or the judicial liquidator within one year of the end of the observation period;

- creditors (only financial creditors in the case of accelerated financial safeguard proceedings) may not initiate or pursue any individual legal action against the debtor (or against a guarantor of the debtor where such guarantor is a natural person and the proceedings are safeguard, accelerated safeguard, accelerated financial safeguard or judicial reorganization proceedings (during the observation period only with respect to judicial reorganization proceedings)) with respect to any claim arising prior to the court decision commencing the proceedings, if the objective of such legal action is:

    - to obtain an order for payment of a sum of money by the debtor to the creditor (however, the creditor may require that a court determine the amount due in order to file a proof of claim, as described below);

    - to terminate a contract for non-payment of amounts owed to the creditor prior to the decision of the court-appointed administrator to continue the ongoing-contract; or

    - to enforce the creditor's rights against any assets of the debtor except (i) in judicial liquidation proceedings, by way of the applicable specific process for judicial foreclosure (*attribution judiciaire*) of the pledged assets or (ii) where such asset- whether tangible or intangible, movable or immovable is located in another Member State within the European Union, in which case the rights in rem of creditors thereon would not be affected by the insolvency proceedings commenced in France, in accordance with the terms of Article 8 of the Insolvency Regulation (provided no secondary proceedings are commenced in such Member State). Similarly, the rights of a creditor on the debtor's assets located outside France and the EU would only be affected by the French insolvency proceedings if they were to be recognized by the local courts where the assets at stake are located (unless provided otherwise in a treaty to which France is a party);

- in the context of reorganization or liquidation proceedings only, absent consent to other terms of payment, immediate cash payment for services rendered pursuant to an ongoing contract (*contrat en cours*), will be required.

A natural person that is the guarantor of the debtor may avail itself of the provisions of a safeguard plan ("*plan de sauvegarde*") adopted by the Court but not of the provisions of a judicial reorganization plan ("*plan de redressement*").In accelerated financial safeguard proceedings, the above rules only apply to the creditors that fall within the scope of the proceedings (see above). Debts owed to other creditors, such as suppliers, continue to be payable in the ordinary course of business.

As a general rule, creditors domiciled in metropolitan France whose claims arose prior to the commencement of the proceedings must file a claim with the court-appointed creditors' representative within two months of the publication of the court decision in an official gazette (*Bulletin Officiel des annonces civiles et commerciales*); this period is extended to four months for creditors domiciled outside metropolitan France. Creditors must also file a claim for the post-commencement non-privileged debts, with respect to which the two or four month period referred to above starts to run as from their maturity date. Creditors whose claims have not been submitted during the relevant period are, except for limited exceptions, barred from receiving distributions made in connection with the proceedings. Employees are not subject to such limitations and are preferred creditors under French law.

At the beginning of the proceedings, the debtor must provide the court-appointed administrator and the creditors' representative with the list of all its creditors and all of their claims. Where the debtor has informed the creditors' representative of the existence of a claim, the claim as reported by the debtor is deemed to be a filing of the claim with the creditors' representative on behalf of the creditor. Creditors are allowed to ratify or amend a proof of claim so made on their behalf until the supervisory judge rules on the admissibility of the claim. They may also file their own proof of claim within the deadlines described above.

In accelerated safeguard and accelerated financial safeguard proceedings however, the debtor draws a list of the claims of its creditors having taken part in the conciliation proceedings, which is certified by its statutory auditors or accountant. Although such creditors may file proofs of claim as part of the regular process, they may also avail themselves of this simplified alternative and merely adjust if necessary the amounts of their claims as set forth in the list prepared by the debtor (within the above two or four months' time limit). Creditors that did not take part in the conciliation proceedings must file their proofs of claim within the aforementioned deadlines.

If the court adopts a safeguard plan, accelerated safeguard plan, accelerated financial safeguard plan or reorganization plan, claims of creditors included in the plan will be paid according to the terms of the plan.

If the court adopts a sale plan (*plan de cession*) of the debtor in judicial reorganization or judicial liquidation proceedings (see above), the proceeds of the sale will be allocated towards the repayment of its creditors according to the ranking of the claims. If the court decides to order the judicial liquidation of the debtor, the liquidator appointed by the court will be in charge of settling the debtor's debts in accordance with their ranking.

French insolvency law assigns priority to the payment of certain preferred creditors, including employees, post- commencement legal costs (essentially, court officials fees), creditors who benefit from a New Money Lien or a S/R Lien (see above), post-commencement privileged creditors and the French State (taxes and social charges). In the event of judicial liquidation proceedings only, certain pre-commencement secured creditors whose claim is secured by real estate are paid prior to post-commencement privileged creditors. This order of priority does not apply to all creditors, for example it does not apply to creditors benefiting from a retention right over assets with respect to their claim related to such asset.

Creditors' Liability

Pursuant to Article L. 650-1 of the French Commercial Code (as interpreted by case law), where safeguard, judicial reorganization or judicial liquidation proceedings have been commenced, creditors may only be held liable for the losses suffered as a result of facilities granted to the debtor, if the granting of such facilities was wrongful and if the relevant creditor (i) committed a fraud, or (ii) manifestly interfered with the management of the debtor or (iii) obtained security or guarantees that are disproportionate to such facilities. In addition, any security or guarantees taken to support facilities in respect of which a creditor is found liable on any of these grounds can be cancelled or reduced by the court.

Italy

The insolvency laws of Italy may not be as favorable to investors' interests as those of other jurisdictions with which investors may be familiar. In Italy, courts play a central role in the insolvency process. Moreover, in court procedures may be materially more complex and the enforcement of security interests by creditors in Italy can be more time-consuming than in equivalent situations in jurisdictions with which holders of the Notes may be familiar.

The following is a brief description of certain aspects of insolvency law in Italy, which does not include special provisions applying to banks, insurance and other companies authorized to carry out certain reserved activities nor it provides a comprehensive description of insolvency laws application where public companies are involved.

Insolvency laws and regulations have recently been substantially reviewed and significant amendments are expected in the near future. In particular, the Italian government approved on January 12, 2019 the Legislative Decree No. 14 of January 12, 2019 implementing the guidelines contained in Law No. 155 dated October 19, 2017 contending the scheme of a new comprehensive legal framework in order to regulate, inter alia, insolvency matters (the "**Legislative Decree**"), which enacts a new comprehensive legal framework in order to regulate, inter alia, insolvency matters (so called "**Code of Business Crisis and Insolvency**", hereinafter the "**Insolvency Code**"). The Legislative Decree was published in the Gazzetta Ufficiale on February 14, 2019 no. 38—Suppl. Ordinario no. 6. The main innovations introduced by the Insolvency Code include: (i) the elimination of the term "bankrupt" (*fallito*) due to its negative connotation and the replacement of bankruptcy proceedings (*fallimento*) with a judicial liquidation (*liquidazione giudiziale*); (ii) a new definition of "state of crisis"; (iii) the adoption of the same procedural framework in order to ascertain such state of crisis and to access the different judicial insolvency proceedings provided for by the same Insolvency Code; (iv) the adoption of definition of debtor's "center of main interest" as provided in the new set of rules concerning group restructurings; (v) restrictions to the use of the pre-bankruptcy composition with creditors (*concordato preventivo*) in order to favor going concern proceedings; (vi) a new preventive alert and mediation phase to avoid insolvency; (vii) jurisdiction of specialized courts over proceedings involving large debtors; (viii) amendments to certain provisions of the Italian Civil Code aimed at ensuring the general effectiveness of the reform.

The main provisions set out in the Insolvency Code were expected to come into force 18 months after its publication in the *Gazzetta Ufficiale* (i.e., on August 15, 2020). However, in response to the COVID-19 pandemic, such entry into force of the Insolvency Code has been currently postponed to September 1, 2021, according to Article 5 of the Liquidity Decree. Until that date, insolvency proceedings will continue to be governed by Italian Royal Decree No. 267 of March 16, 1942 as amended (the "**Italian Bankruptcy Law**"), as in force before. Therefore, the main provisions set out in the Insolvency Code are not yet in force and practical consequences of its implementation and its potential impact on the existing insolvency proceedings cannot be foreseen. In addition, significant amendments are expected in the near future that may impact the provisions set forth therein.

Certain provisions of Italian law have been amended or have entered into force only recently and, therefore, may be subject to further implementation and/or interpretations and have not been tested to date in the Italian courts. In this respect, the most recent reforms that have been implemented by the Italian government on the main Italian bankruptcy legislation as defined below are: (i) the reform approved on June 27, 2015 through a Law Decree containing urgent reforms applicable, inter alia, to Italian bankruptcy law (the "**Decree 83/2015**") which entered into force in June 2015 and has been converted into law by the Italian Law No. 132/2015 ("**Law 132/2015**"), entered into force on August 21, 2015 (the date after its publication in the *Gazzetta Ufficiale*) and (ii) the amendments implemented by means of the adoption of (a) the Law Decree No. 59 of May 3, 2016, converted into law by Italian Law No. 119 of June 30, 2016, and (b) Italian Law No. 232 of December 11, 2016.

The two primary aims of the Italian Bankruptcy Law are to liquidate the debtor's assets and protect the goodwill of the going concern (if any) for the satisfaction of creditors' claim as well as, in case of the "Prodi-bis" procedure or "Marzano" procedure, to maintain employment. These competing aims have often been balanced by the sale of businesses as going concerns and ensuring that employees are transferred along with the businesses being sold. However, the Italian Bankruptcy Law has been recently amended with a view to promoting rescue procedures rather than liquidation, focusing on the continuity and survival of financially distressed businesses and enhancing pre-bankruptcy restructuring options.

Under the Italian Bankruptcy Law, bankruptcy (*fallimento*) must be declared by a court, based on the insolvency (*insolvenza*) of a company upon a petition filed by the company itself, the public prosecutor and/or one or more creditors. Insolvency, as defined by Italian Bankruptcy Law, occurs when a debtor is no longer able to regularly meet its obligations as they come due. This must be a permanent and not a temporary status of insolvency in order for a court to hold that a company is insolvent.

In cases where a company is facing financial difficulties or temporary cash shortfall and, in general, financial distress, it may be possible for it to enter into out-of-court arrangements with its creditors, which may safeguard the existence of the company, but which are susceptible of being reviewed by a court in the event of a subsequent insolvency, and possibly challenged as voidable transactions.

The following debt restructuring and bankruptcy tools are available under Italian law for companies in a state of crisis and for insolvent companies.

Restructuring outside of a judicial process (accordi stragiudiziali)

Restructuring generally takes place through a formal judicial process because it is more favorable for the debtor and because informal out-of-court arrangements put in place as a result of an out-of-court restructuring are vulnerable to being reviewed by a court in the event of a subsequent insolvency, and possibly challenged as voidable transactions, and may trigger liabilities in the event of a subsequent bankruptcy. However, in cases where a company is solvent, but facing financial difficulties, it may be possible to enter into an out-of-court arrangement with its creditors, which may safeguard the existence of the company.

Out-of-court reorganization plans (piani di risanamento attestato) pursuant to Article 67, Paragraph 3(d) of the Italian Bankruptcy Law

Out-of-court debt restructuring agreements are based on restructuring plans (*piani di risanamento attestati*) prepared by companies in order to restructure their indebtedness and to ensure the recovery of their financial condition. An independent expert appointed directly by the debtor must verify the feasibility of the restructuring plan and the truthfulness of the business data provided by the company. There is no need to obtain court approval to appoint the expert. The expert must possess certain specific professional requisites and qualifications and meet the requirements set forth by Article 2399 of the Italian Civil Code and may be subject to liability in case of misrepresentation or false certification.

Out-of-court debt restructuring arrangements are not under any form of judicial control or approval and, therefore, no application is required to be filed with the court or supervising authority. Out-of-court debt restructuring arrangements are not required to be approved and consented to by a specific majority of all outstanding claims.

The terms and conditions of these plans are freely negotiable. Unlike in-court pre-bankruptcy agreement proceedings and debt restructuring agreements, out-of-court reorganization plans do not offer the debtor any protection against enforcement proceedings and/or precautionary actions of third-party creditors. The Italian Bankruptcy Law provides that, should these plans fail and the debtor be declared bankrupt, the payments and/or acts carried out and/or security interest granted for the implementation of the reorganization plan, subject to certain conditions (a) are not subject to claw-back action; and (b) are exempted from the potential application of certain criminal sanctions (pursuant to Article 217-bis of the Italian Bankruptcy Law). Neither ratification by the court nor publication in the Companies' Register are needed (although publication in the Companies' Register is possible upon a debtor's request and would allow certain tax benefits), and, therefore, the risk of bad publicity or disvalue judgments are lower than in case of an in-court pre-bankruptcy agreement or a debt restructuring agreement.

Debt restructuring agreements with creditors pursuant to Article 182-bis of the Italian Bankruptcy Law (Accordi di ristrutturazione dei debiti)

The debtor may negotiate debt restructuring agreements with creditors holding at least 60% of the total amount of claims or debts outstanding, subject to the court's approval (*omologazione*). An independent expert appointed by the debtor must assess the truthfulness of the business and accounting data provided by the company and declare that the agreement is feasible and that it ensures that the non-participating creditors can be fully satisfied within the following terms: (a) 120 days from the date of approval of the agreement by the court (*omologazione*), in the case of debts which are due and payable to the non-participating creditors as of the date of the approval (*omologazione*) of the debt restructuring agreement by the court; and (b) 120 days from the date on which the relevant debts fall due or, in case of debts which are not yet due and payable to the non-participating creditors as of the date of the approval (*omologazione*) of the debt restructuring agreement by the court. Only a debtor who is insolvent or in a situation of "financial distress" (i.e., facing financial crisis which does not yet amount to insolvency) can initiate this process and request the court's approval (*omologazione*) of the debt restructuring agreement entered into with its creditors.

The agreement is published in the companies' register and becomes effective as of the day of its publication. Starting from the date of such publication and for 60 days thereafter, creditors cannot start or continue any conservative or enforcement actions over the assets of the debtor in relation to pre-existing receivables and cannot obtain any security interest (unless agreed) in relation to pre-existing debts. The Italian Bankruptcy Law does not expressly provide for any indications concerning the contents of the debt restructuring agreement. The plan can therefore provide, among other things, either for the prosecution of the business by the debtor or by a third party, or the sale of the business to a third party, and may contain refinancing agreements, moratoria, write-offs and/or postponements of claims. The debt restructuring agreement may also contain a proposed tax settlement for the partial or deferred payment of certain taxes.

The 60-days moratorium can also be requested by the debtor pursuant to Article 182-bis, paragraph 6 of the Italian Bankruptcy Law while negotiations with creditors are pending (i.e., prior to the above-mentioned publication of the agreement), subject to the fulfillment of certain conditions. Such moratorium request must be published in the companies' register and becomes effective as of the date of publication. The court, having verified the completeness of the documentation filed by the debtor, sets the date for a hearing within 30 days of the publication and orders the debtor to supply the creditors with the relevant documentation in relation to the moratorium. At such hearing, creditors and other interested parties may file an opposition to the agreement and the court decides upon any opposition and assesses whether the conditions for granting such moratorium are in place and, in such case, orders that no conservative or enforcement action may be started or continued, nor can security interests (unless agreed) be acquired over the assets of the debtor, and sets a deadline (not exceeding

60 days) within which a debt restructuring agreement and the assessment by the expert must be deposited. The court's order may be challenged within 15 days of its publication. Within the same time frame of 60 days, an application for the *concordato preventivo* (as described below) may be filed, without prejudice to the effect of the moratorium. Creditors and other interested parties may oppose the agreement within 30 days from the publication of the agreement in the companies' register. After having settled the oppositions (if any) the court will validate the agreement by issuing a decree, which can be appealed within 15 days of its publication.

The Decree 83/2015, as amended by Law 132/2015 modified the basis for calculation of the 60% of the outstanding debtor's debt threshold required for courts' sanctioning of debt restructuring agreements (*accordi di ristrutturazione dei debiti*), easing the requirements with respect to financial creditors.

Pursuant to the new Article 182-*septies* of the Italian Bankruptcy Law, introduced by the Decree 83/2015, as amended by Law 132/2015, debtors whose financial indebtedness is at least 50% of their total indebtedness are entitled to enter into debt restructuring agreements obtaining the approval of financial creditors representing at least 75% of the aggregate financial claims of the relevant category and ask the court to declare such agreement binding on the dissenting financial creditors belonging to the same category (so called "cram down"), subject to certain conditions being met, including that treatment of dissenting creditors is not worse than under any other available alternative and that all creditors (adhering and non-adhering) have been informed about the negotiations and have been allowed to take part in them in good faith. If the abovementioned conditions are met, then the remaining 25% of non-participating financial creditors belonging to the same class of creditors are crammed down; however, crammed down creditors can challenge the deal and refuse to be forced into it, on the basis of the lack of homogeneity of the classes of creditors. Similarly, a standstill agreement (*convenzione di moratoria*) entered into between a debtor and financial creditors representing 75% of that debtor's aggregate financial indebtedness would also bind the non-participating financial creditors, provided that (i) they have been informed of the ongoing negotiations and have been allowed to participate to such negotiations in good faith and (ii) an independent expert meeting the requirements provided under Article 67, Paragraph 3(d) of the Italian Bankruptcy Law certifies that the non-consenting financial creditors have legal status and economic interests similar to those of the banks and financial intermediaries which have agreed to the moratorium arrangement. The purpose is to prevent banks with modest credits from blocking restructuring operations involving more exposed bank creditors, resulting in the failure of the overall restructuring and the opening of a procedure. Financial creditors who did not participate in the agreement may challenge it, through the filing of an objection (*opposizione*) within 30 days of receipt of the application.

In no case may the debt restructuring agreement provided for under article 182-septies of the Italian Bankruptcy Law or the moratorium arrangement impose on the non-adhering creditors, inter alia, the performance of new obligations, the granting of new overdraft facilities, the maintenance of the possibility to utilize the existing facilities or the utilization of new facilities.

Such debt restructuring agreements and standstill agreements will not affect the rights of non-financial creditors (e.g., trade creditors) who cannot be crammed down and must be paid within 120 days if not participating to a scheme.

Pursuant to Article 182-*quater* of the Italian Bankruptcy Law, financing granted to the debtor pursuant to the approved debt restructuring agreement (or a court-supervised Pre-Bankruptcy Composition with Creditors) (*concordato preventivo*) enjoys priority status in cases of subsequent bankruptcy (such status also applies to financing granted by shareholders, but only up to 80 percent of such financing). Financing granted "in view of" (i.e., before) presentation of a petition for the sanctioning (*omologazione*) of a debt restructuring agreement or a court-supervised Pre-Bankruptcy Composition with Creditors may be granted such priority status provided that it is envisaged by the relevant plan or agreement and that such priority is expressly provided for by the court at the time of approval of the plan or sanctioning (*omologazione*) of the agreement or the approval of the *concordato preventivo*. The same provisions apply to financings granted by shareholders up to 80% of their amount.

Moreover, pursuant to the new Article 182-*quinquies* of the Italian Bankruptcy Law, the Court, pending the sanctioning (*omologazione*) of the debt restructuring agreement pursuant to Article 182-bis, Paragraph 1, of the Italian Bankruptcy Law or after the filing of the moratorium application pursuant to Article 182-bis, Paragraph 6, of the Italian Bankruptcy Law or a petition pursuant to Article 161, Paragraph 6, of the Italian Bankruptcy Law (in relation to the court supervised pre-bankruptcy arrangement with creditors procedure described below) may authorize the debtor, if so expressly requested: (i) to incur in new super senior indebtedness and to secure such indebtedness via in rem security (*garanzie reali*) or by assigning claims, provided that the expert appointed by the debtor, having verified the overall financial needs of the company until the sanctioning (*omologazione*), declares that the new financial indebtedness aims to provide a better satisfaction of the rights of the creditors, and (ii) to pay pre-existing debts deriving from the supply of services or goods, to the extent already payable and due, provided that the expert declares that such payment is essential for the keeping of the company's activities and to ensure the best satisfaction for all creditors. In addition, according to the provisions of the Decree 83/2015, as amended by Law 132/2015, the aforementioned authorization may be given also before the filing of the additional documentation required pursuant to Article 161, Paragraph 6 of the Italian Bankruptcy Law.

The provision of Article 182-*quinques* of the Italian Bankruptcy Law applies to both debt restructuring agreement and to the court-supervised pre-bankruptcy compositions with creditors (*concordato preventivo*) outlined below.

Furthermore, according to the Article 1 of the Decree 83/2015, as amended by Law 132/2015, pending the sanctioning (*omologazione*) of the debt restructuring agreement pursuant to Article 182-bis, Paragraph 1 of the Italian Bankruptcy Law or after the filing of the moratorium application pursuant to Article 182-bis, Paragraph 6 of the Italian Bankruptcy Law also in absence of the plan pursuant to Article 161, Paragraph 2, letter (e) of the Italian Bankruptcy Law, the court may also authorize the debtor to incur in new super senior (so called prededucibile) indebtedness, aimed at supporting urgent financial needs related to the company's business. The company, while filing such request of authorization, is required to specify (i) the purpose of the financing; (ii) that it is unable to otherwise obtain the required funds and (iii) that the absence of such financing will entail an imminent and irreparable prejudice to the company.

Court-supervised pre-bankruptcy composition with creditors (concordato preventivo)

A company which is insolvent or in a situation of crisis (i.e., financial distress which does not yet amount to insolvency) and that has not been declared insolvent by the court has the option to make a composition proposal to its creditors, under court supervision, in order to compose its overall indebtedness and/or reorganize its business, thereby avoiding a declaration of insolvency and the initiation of bankruptcy proceedings. Such composition proposal can be made by a commercial enterprise which exceeds any of the following thresholds: (i) has had assets (*attivo patrimoniale*) in an aggregate amount exceeding €0.3 million for each of the three preceding fiscal years, (ii) gross revenue (ricavi lordi) in an aggregate amount exceeding €0.2 million for each of the three preceding fiscal years, and (iii) has total indebtedness in excess of €0.5 million. Only the debtor company can initially file a petition with the court for a concordato preventivo (together with, among others, a restructuring plan and an independent expert report assessing the feasibility of the composition proposal and the truthfulness of the business and accounting data provided by the company). The petition for concordato preventivo is then published by the debtor in the company's register. From the date of such publication to the date on which the court sanctions the concordato preventivo, all enforcement and interim relief actions by the creditors (whose debt became due before the sanctioning of the concordato preventivo by the court) are stayed. During this time, all enforcement, precautionary actions and interim measures sought by the creditors, whose title arose beforehand, are stayed. Pre-existing creditors cannot obtain security interests (unless authorized by the court) and mortgages registered within the 90 days preceding the date on which the petition for the concordato preventivo is published in the company's register are ineffective against such pre-existing creditors.

The composition proposal filed in connection with the petition may provide for: (i) the restructuring and payment of debts and the satisfaction of creditors' claims (provided that, in any case, it will ensure payment of at least 20% of the unsecured receivables, except for the case of composition with creditors with continuity of the going concern (*concordato con continuità* aziendale) pursuant to Article 186-bis of the Italian Bankruptcy Law, including through extraordinary transactions, such as the granting to creditors and to their subsidiaries or affiliated companies of shares, bonds (including bonds convertible into shares), or other financial instruments and debt securities); (ii) the transfer to a receiver (*assuntore*) of the operations of the debtor company making the composition proposal; (iii) the division of creditors into classes; and (iv) different treatment of creditors belonging to different classes. The composition proposal may also contain a proposed tax settlement for the partial or deferred payment of certain taxes.

The filing of the petition for the *concordato preventivo* may be preceded by the filing of a preliminary petition for a *concordato preventivo* (so called concordato in bianco, pursuant to Article 161, paragraph 6, of the Italian Bankruptcy Law, as amended by Italian Law Decree No. 69/2013 as converted into Italian Law No. 98/2013 ("**Law Decree 69/2013**")). The debtor company may file such petition along with: (i) its financial statements from the latest three financial years; and (ii) the list of creditors with the reference to the amount of their respective receivables, reserving the right to submit the underlying plan, the proposal and all relevant documentation within a period assigned by the court between 60 and 120 days from the date of the filing of the preliminary petition, subject to only one possible further extension of up to 60 days, where there are reasonable grounds for such extension (*giustificati motivi*). Nevertheless, in response to the COVID-19 pandemic, Article 9 of the Liquidity Decree, provides that the debtor company which has been granted such extension by the court, can, before the deadline, request for a further extension of up to 90 days, even if it has filed an appeal for a declaration of bankruptcy. The petition requesting the extension provides for the reasons that make it necessary to grant the extension with specific reference to the events that have occurred as a result of the COVID-19 pandemic. The petition may be filed by the debtor who has been granted the hearing referred to in Article 182-*bis*, paragraph 7, of the Italian Bankruptcy Law. The court, in closed session, after having obtained the opinion of the judicial commissioner (if appointed) and without following the requirements set out in Article 182-bis, paragraph 7 of the Italian Bankruptcy Law, grants the extension when it considers that the application is based on reasonable grounds and that the conditions for reaching a debt restructuring agreement with the majorities referred to in Article 182-bis, paragraph 1, of the Italian Bankruptcy Law are satisfied . In advance of such deadline, the debtor may also file a petition for the approval of a debt restructuring agreement (pursuant to Article 182-bis of the Italian Bankruptcy Law). If the court accepts such preliminary petition, it may: (i) appoint a judicial commissioner (*commissario giudiziale*) to oversee the company, who, in the event that the debtor has carried out one of the activities under Article 173 of the Italian Bankruptcy Law (e.g., concealment of part of assets, omission to report one or more claims, declaration of non-existent liabilities or commission of other fraudulent acts), will report it to the court, which, upon further verification, may reject the petition at court for a concordato preventivo; and (ii) set forth reporting and information duties of the company during the abovementioned period. The statutory provisions providing for the stay of enforcement and interim relief actions by the creditors referred to in respect of the concordato preventivo also apply to preliminary petitions for concordato preventivo (so called *concordato in bianco*).

The debtor company may not file such pre-application where it had already done so in the previous two years without the admission to the concordato preventivo having followed. The decree setting the term for the presentation of the documentation contains also the periodical information requirements (also relating to the financial management of the company and to the activities carried out for the purposes of the filing of the application and the restructuring plan) that the company has to fulfill, at least on a monthly basis, until the lapse of the term established by the court. The debtor company will file, on a monthly basis, the company's financial position, which is published, the following day, in the company's register. Noncompliance with these requirements results in the application for the composition with creditors being declared inadmissible and, upon request of the creditors or the public prosecutor and provided that the relevant requirements are verified, in the adjudication of the distressed company into bankruptcy. If the activities carried out by the debtor company appear to be clearly inappropriate to the preparation of the application and the restructuring plan, the court may, ex officio, after hearing the debtor and—if appointed—the judicial commissioner, reduce the time for the filing of additional documents.

Following the filing of the preliminary petition and until the decree of admission to the composition with creditors, the distressed company may: (i) carry out acts pertaining to its ordinary activity; and (ii) seek the court's authorization to carry out acts pertaining to its non-recurring activity, to the extent they are urgent.

Claims arising from acts lawfully carried out by the distressed company and new super senior indebtedness authorized by the court, pending the sanctioning (*omologazione*) of the debt restructuring agreement pursuant to Article 182-bis, Paragraph 1 of the Italian Bankruptcy Law or after the filing of the moratorium application pursuant to Article 182-bis, Paragraph 6 of the Italian Bankruptcy Law also in absence of the plan pursuant to Article 161, Paragraph 2, letter (e) of the Italian Bankruptcy Law, aimed at supporting urgent financial needs related to the company's business as recently introduced by Article 1 of the Decree 83/2015, as amended by Law 132/2015, are treated as super-senior (so-called p*rededucibili*) pursuant to Article 111 of the Italian Bankruptcy Law and the related acts, payments, guarantees and security interests granted are exempted from the claw-back action provided under Article 67 of the Italian Bankruptcy Law. Italian Law No. 9/2014 specified that the super-seniority of the claims—which arises out of loans granted with a view to allowing the filing of the preliminary petition for the composition with creditors (*domanda di pre-concordato*)—is granted, pursuant to Article 111 of the Italian Bankruptcy Law, conditional upon the proposal, the plan and all other required documents being filed within the term set by the court and the company being admitted to the concordato preventivo within the same proceeding opened with the filing of the preliminary petition.

The composition proposal may propose that: (i) the debtor's company's business continues to be run by the debtor's company as a going concern; or (ii) the business is transferred to one or more companies and any assets which are no longer necessary to run the business are liquidated (*concordato con continuità aziendale*). In these cases, the petition for the concordato preventivo should fully describe the costs and revenue that are expected as a consequence of the continuation of the business as a going concern, as well as the financial resources and support which will be necessary. The report of the independent expert will also certify that the continuation of the business is conducive to the satisfaction of creditors' claims to a greater extent than if such composition proposal was not implemented. Furthermore, the going concern-based arrangements with creditors can provide for, among others, the winding-up of those assets that are not functional to the business allowed. The composition agreement may also contain a proposed tax settlement for the partial or deferred payment of certain taxes.

If the court determines that the composition proposal is admissible, it appoints a judge (*giudice delegato*) to supervise the procedure, appoints one or more judicial officers (*commissari giudiziali*) and calls a creditors' meeting. During the implementation of the proposal, the company generally continues to be managed by its corporate bodies (usually its board of directors), but is supervised by the appointed judicial officers and judge (who will authorize all transactions that exceed the ordinary course of business). The debtor is allowed to carry out urgent extraordinary transactions only upon the prior court's authorization, while ordinary transactions may be carried out without authorization. Third-party claims, related to the interim acts legally carried out by the debtor, are super-senior (so-called *prededucibili*) pursuant to Article 111 of the Italian Bankruptcy Law.

The *concordato preventivo* is voted on at a creditors' meeting and must be approved with the favorable vote of the creditors representing the majority of the receivables admitted to vote and, also in the event that the plan provides for more classes of creditors, and (b) the majority of the classes. The Composition with Creditors is approved only if the required majorities of creditors expressly voted in favor of the proposal. Law 132/2015 abrogated the implied consent rule under which those creditors who, being entitled to vote, did not do so and those who did not express their dissent within 20 days of the closure of the minutes of the creditors' meeting are deemed as consenting to the composition with creditors. Under the current regime, creditors who did not exercise their voting rights in the creditors' meeting can do so (even via email) within 20 days of the closure of the minutes of the creditors' meeting and, after such term, creditors who did not exercise their voting right will be deemed not to approve the concordato preventivo proposal. In relation to voting by the holder of the Notes in the concordato proceedings, the interactions between (i) the provisions set forth under the Indenture with respect to meetings of holders of the Notes, the applicable majorities and the rights of each holder of the Notes to vote in the relevant meeting and (ii) applicable Italian law provisions relating to quorum and majorities in meetings of holders of notes issued by Italian companies are largely untested in the Italian courts (recent case law has however affirmed the right of noteholders whose vote may be tainted by conflict of interest—as could be the case of disenfranchised noteholders—to be computed for the purposes of relevant quora and be admitted to vote, albeit in a specific class). Secured creditors are not entitled to vote on the proposal of the *concordato preventivo* unless and to the extent they waive their security, or the concordato preventivo provides that they will not receive full satisfaction of the fair market value of their secured assets (such value being assessed by an independent expert), in which case they can vote only in respect of the part of their debt affected by the proposal. The court may also approve the concordato preventivo (notwithstanding the circumstance that one or more classes objected to it) if: (i) the majority of classes has approved it; and (ii) the court deems that the interests of the dissenting creditors would be adequately safeguarded through it compared to other solutions. If an objection to the implementation of the concordato preventivo is filed by 20% of the creditors or, in case there are different classes of creditors, by a creditor belonging to a dissenting class, entitled to vote, the court may nevertheless sanction the concordato preventivo if it deems that the relevant creditors' claims are likely to be satisfied to a greater extent as a result of the concordato preventivo than would otherwise be the case.

The Decree 83/2015, as amended by Law 132/2015, introduced the possibility for creditors (except for individuals or entities controlled, controlling or under common control of the debtor) holding at least 10% of the aggregate claims against a debtor to present an alternative plan to the debtor's plan in a pre-bankruptcy agreement proceedings (*concordato preventivo*) subject to certain conditions being met, including, in particular, that the proposal of the debtor does not ensure recovery of at least (i) 40% of the unsecured claims (*crediti chirografari*) in case of pre-bankruptcy agreement proposal with liquidation purpose (concordato liquidatorio), or (ii) 30% of the unsecured claims (*crediti chirografari*) in case of pre-bankruptcy agreement proposals based on the continuation of the going concern (concordato con continuità aziendale).

In addition, in order to strengthen the position of the unsecured creditors, Law 132/2015 sets forth that a prebankruptcy agreement proposal with a liquidation purpose (*concordato liquidatorio*) (i.e., a pre-bankruptcy agreement proposal aiming at transferring all the assets to the creditors and having such assets sold in their interest by the judicial commissioner) must ensure that the unsecured creditors are paid in a percentage of at least 20% of their claims. This provision does not apply to pre-bankruptcy agreement proposals based on the continuation of the going concern (*concordato con continuità aziendale*).

To the extent the alternative plan is approved by the creditors and ratified (*omologato*), the court may grant special powers to the judicial commissioner to implement the plan if the debtor does not cooperate, including by taking all corporate actions required.

In addition, Article 163-bis of the Italian Bankruptcy Law, introduced by the Decree 83/2015, as amended by Law 132/2015, provides that, if a plan in pre-bankruptcy composition with creditors (*concordato preventivo*), pursuant to Article 161, Paragraph 2, letter (e) of the Italian Bankruptcy Law, includes an offer for the sale of the debtor's assets or of a going concern of the debtor to an identified third party, the judicial commissioner may request to the court the opening of a competitive bidding process to the extent that it would be in the best interest of the creditors. After the approval by the creditors' meeting, the court (having settled possible objections raised by the dissenting creditors, if any) confirms the concordato preventivo proposal by issuing a confirmation order.

If the creditors' meeting does not approve the *concordato preventivo*, the court may, upon request of the public prosecutor or a creditor, and having decided that the appropriate conditions apply, declare the company bankrupt.

Pursuant to Article 169-bis of the Italian Bankruptcy Law, the debtor may request the competent court to be authorized to terminate outstanding agreements (*contratti ancora ineseguiti o non compiutamente eseguiti*), except for certain agreements which are excluded from the scope of the above provision (e.g., employment agreements (*rapporti di lavoro subordinato*), residential real estate preliminary sale agreements (*contratti preliminari di vendita aventi ad oggetto immobili ad uso abitativo*) and real estate lease agreements (*contratti di locazione di immobili*)). The request may be filed with the competent court at the time of the filing of the application for the *concordato preventivo* or to the judge (*giudice delegato*), if the application is made after admission to the procedure. Upon the debtor's request, the pending agreements can also be suspended for a period of time not exceeding 60 days, renewable just once. In such circumstances, the other party has the right to receive an indemnification equivalent to the damages suffered for the non-fulfillment of the agreement. Such indemnification would be paid prior to and outside of the admission to the pre-bankruptcy composition.

In response to the COVID-19 pandemic, according to Article 9 of the Liquidity Decree extended by six months the deadlines for the fulfilment of *concordati preventivi* and the ratified debt restructuring agreements (*accordi di ristrutturazione omologati*) expiring after February 23, 2020. In the procedures for the sanctioning (*omologazione*) of a concordato preventivo and of a debt restructuring agreement with creditors (*accordo di ristrutturazione dei debiti*), that are still pending before the court on February 23, 2020, the debtor may submit, until the hearing, a petition for the grant of an extension up to 90 days for the deposit of a new plan and a new proposal for a concordato in accordance with Article 161 of the Italian Bankruptcy Law or a new debt restructuring agreement pursuant to Article 182-*bis* of the Italian Bankruptcy Law. The period starts from the date of the decree by which the court assigns the term, and it shall not be extended. The request is inadmissible if submitted in the context of a *concordato preventivo* in the course of which a meeting of creditors was already held but for which the majorities according to Article 177 of the Italian Bankruptcy Law were not reached.

Bankruptcy proceedings (fallimento)

A request to declare a debtor bankrupt and to commence bankruptcy proceedings (*fallimento*) for the judicial liquidation of its assets can be filed by the debtor, any of its creditors and, in certain cases, the public prosecutor when a debtor is insolvent. Insolvency, as defined under Italian Bankruptcy Law, occurs when a debtor is no longer able to regularly meet its obligations with ordinary means as they come due. Bankruptcy is declared by the competent bankruptcy court. The Italian Bankruptcy Law is applicable only to commercial enterprises (*imprenditori commerciali*) if any of the following thresholds are met: the company (i) has had assets (*attivo patrimoniale*) in an aggregate amount exceeding €0.3 million for each of the three preceding fiscal years; (ii) has had gross revenue (*ricavi lordi*) in an aggregate amount exceeding €0.2 million for each of the three preceding fiscal years; and (iii) has total indebtedness in excess of €0.5 million.

Upon the commencement of bankruptcy proceedings, amongst other things:

- subject to certain exceptions, all actions of creditors are stayed and creditors must file claims within a defined period;

- under certain circumstances secured creditors may execute against the secured property as soon as their claims are admitted as preferred claims. Secured claims are paid out of the proceeds of liquidation of the secured assets, together with the applicable interest and subject to any relevant expenses. In case the sale price is not high enough to determine a full satisfaction of their credits, any outstanding balance will be considered unsecured and rank *pari passu* with all of the bankrupt's other unsecured debt. Secured creditors may sell the secured asset only with the court authorization. After hearing the bankruptcy receiver (*curatore fallimentare*) and the creditors' committee, the court decides whether to authorize the sale, and sets forth the relevant timing in his or her decision;

- the administration of the debtor and the management of its assets are transferred to the bankruptcy receiver (*curatore fallimentare*);

- continuation of business may be authorized by the court if an interruption would cause greater damage to the company, but only if the continuation of the company's business does not cause damage to creditors;

- any act (including payments, pledges and issuance of guarantees) made by the debtor after (and in certain cases even before, for a limited period of time) the commencement of the proceedings, other than those made through the receiver, become ineffective against creditors; and

- the execution of certain contracts and/or transactions pending as of the date of the bankruptcy declaration are suspended until the receiver decides whether to take them over.

Although the general rule is that the bankruptcy receiver is allowed to terminate contracts where some or all of the obligations have not been performed, certain contracts are subject to specific rules expressly provided for by Italian Bankruptcy Law.

Bankruptcy proceedings are carried out and supervised by a court-appointed bankruptcy receiver, a deputy judge (*giudice delegato*) and a creditors' committee. The bankruptcy receiver is not a representative of the creditors and is responsible for the liquidation of the assets of the debtor to the satisfaction of creditors as a whole. The proceeds from the liquidation are distributed in accordance with statutory priority rights. The liquidation of a debtor can take a considerable amount of time, particularly in cases where the debtor's assets include real estate properties. In this respect, Law 132/2015 amended the relevant provision of the Italian Bankruptcy Law which sets forth the requirements applicable to the liquidation procedure and as a consequence the timing for the liquidation of a debtor is shortened. Italian Bankruptcy Law provides for priority of payment to certain preferential creditors, including employees, the Italian treasury, and judicial and social authorities. Such priority of payment is provided under mandatory provisions of law (as a consequence it is untested and it is unlikely that priority of payments such as those commonly provided in intercreditor contractual arrangements would be recognized by an Italian bankruptcy estate to the extent they are inconsistent with the priorities provided by law). Unsecured creditors are satisfied after payment of preferential and secure creditors, out of available funds and assets (if any) as below indicated.

- ***Bankruptcy composition with creditors (concordato fallimentare).*** Bankruptcy proceedings can terminate prior to liquidation through a bankruptcy composition proposal with creditors. The relevant petition can be filed by one or more creditors, third parties or the receiver starting from the declaration of bankruptcy, whereas the debtor or its subsidiaries are admitted to file such a proposal only after one year following such declaration but before the lapse of two years from the decree giving effectiveness to the liabilities account (*stato passivo*). Secured creditors are not entitled to vote on the proposal of concordato fallimentare, unless and to the extent they waive their security or the *concordato fallimentare* provides that they will not receive full satisfaction of the fair market value of their secured assets (such value being assessed by an independent expert), in which case they can vote only in respect of the part of their debt affected by the proposal. The petition may provide for the division of creditors into classes (thereby proposing different treatments among the classes), the restructuring of debts and the satisfaction of creditors' claims in any manner. The petition may provide that secured claims are paid only in part. The *concordato fallimentare* proposal must be approved by the creditors' committee and the creditors holding the majority (by value) of claims (and, if classes are formed, also by a majority (by value) of the claims in a majority of the classes). Final court confirmation is also required.

- ***Statutory priorities.*** The statutory priority assigned to creditors under the Italian Bankruptcy Law may be different from the priorities in the United States, the United Kingdom and certain other EU jurisdictions. Pursuant to Article 111 of the Italian Bankruptcy Law proceeds of liquidation shall be allocated according to the following order: (i) for payments of "*predeductible*" claims (i.e., claims originated in the insolvency proceeding, such as costs related to the procedure); (ii) for payment of claims which are privileged, such as claims of secured creditors; and (iii) for the payment of unsecured creditors' claims. Under Italian law, the highest priority claims (after the costs of the proceedings are paid) are the claims of preferential creditors, including, *inter alia*, a claim whose priority is legally acquired (i.e., repayment of rescue or interim financing), claims of the Italian tax authorities and social security administrators, and the claims for employee wages. Under certain circumstances, claims of preferential creditors might include claims of certain entities and/or financial institutions providing credit support for economic development of companies in the form of, among others, financial guarantees to facilitate companies' access to credit, due to Italian law provisions providing that, subject to certain conditions and save for certain exceptions, should a guarantee issued by certain guarantee's providers be enforced by the companies' direct creditors and the relevant guarantee's provider exercise its right of subrogation arising therefrom, the claims of such guarantee's provider towards the company may be given a preference in payment (including in respect of proceeds from enforcement of security interest); applicable Italian law provisions relating to the possible preferential treatment of the abovementioned claims are largely untested in the Italian courts and, therefore, it is uncertain whether and to what extent any priority would be assigned by a court to such claims. The remaining priorities of claims are, in order of priority, those related to secured creditors (*creditori privilegiati*; a preference in payment in most circumstances, but not exclusively, provided for by law), mortgages (*creditori ipotecari*), pledges (*creditori prignoratizi*) and, lastly, unsecured creditors (*crediti chirografari*). Under Italian law, the proceeds from the sale of the bankrupt's estate are distributed according to legal rules of priority. Neither the debtor nor the court can deviate from these priority rules by proposing their own priorities of claims or by subordinating one claim to another based on equitable subordination principles. The law indeed creates a hierarchy of claims that must be adhered to when distributing the proceeds derived from the sale of the entire bankrupt's estate or part thereof, or from a single asset. In particular, article 111 of the Italian Bankruptcy Law establishes that proceeds of liquidation shall be allocated according to the following order: (i) for payments of "predeductible" claims (i.e., claims originated in the insolvency proceeding, such as costs related to the procedure); (ii) for payment of claims which are privileged, such as claims of secured creditors; and (iii) for the payment of unsecured creditors' claims.

- ***Avoidance powers in insolvency.*** Similar to other jurisdictions, there are so-called "claw-back" or avoidance provisions under Italian law that may give rise, inter alia, to the revocation of payments or to the granting of guarantees or security interests made by the debtor prior to the declaration of bankruptcy. The key avoidance provisions address transactions made below market value, preferential transactions and transactions made with a view to defraud creditors. Claw-back rules under Italian law are normally considered to be particularly favorable to the receiver in bankruptcy compared to the rules applicable in other jurisdictions.

In bankruptcy proceedings, the Italian Bankruptcy Law provides for a claw-back period of up to one year (six months in certain circumstances) and a two-year ineffectiveness period for certain other transactions. In the context of extraordinary administration procedures (as described below), the claw-back period may last up to three or five years in certain circumstances. The Italian Bankruptcy Law distinguishes between acts or transactions which are ineffective by operation of law and acts or transactions which are voidable at the request of the bankruptcy receiver/court commissioner.

<u>Acts ineffective by operation of law.</u>

- Under Article 64 of the Italian Bankruptcy Law, subject to certain limited exception, all transactions entered into for no consideration are ineffective vis-à-vis creditors if entered into by the bankrupt entity in the two-year period prior to the insolvency declaration. Any asset subject to a transaction which is ineffective pursuant to Article 64 of the Italian Bankruptcy Law becomes part of the bankruptcy estate by operation of law upon registration (trascrizione) of the declaration of bankruptcy, without need to wait until the ineffectiveness of the transaction is sanctioned by a court. Any interested person may challenge the registration before the delegated judge for violation of law; and

- Under Article 65 of the Italian Bankruptcy Law, payments of receivables falling due on the day of the insolvency declaration or thereafter are deemed ineffective vis-à-vis creditors, if made by the bankrupt entity within the two-year period prior to the insolvency declaration.

<u>Acts that may be avoided at the request of the bankruptcy receiver/court commissioner.</u>

- The following acts and transactions, if done or made during the period specified below, may be clawed back (*revocati*) vis-à-vis the bankruptcy as provided for by article 67 of the Italian Bankruptcy Law and be declared ineffective, unless the non-insolvent party proves that it had no actual or constructive knowledge of the debtor's insolvency at the time the transaction was entered into:

  - o onerous transactions entered into in the year before the insolvency declaration, when the value of the debt or the obligations undertaken by the bankrupt entity exceeds 25% of the value of the consideration received by and/or promised to the debtor;

  - o payments of debts, due and payable, which were not made by the debtor in cash or by other customary means of payment in the year prior to the insolvency declaration;

  - o pledges and mortgages granted by the bankrupt entity in the year prior to the insolvency declaration in order to secure pre-existing debts which were not yet due at the time the new security was granted; and

  - o pledges and mortgages granted by the bankrupt entity in the six months prior to the insolvency declaration in order to secure pre-existing debts which had already fallen due at the time the new security was granted.

- The following acts and transactions, if made during the vulnerability period or such other period specified below, may be avoided and declared ineffective if the bankruptcy receiver proves that the non-insolvent party knew that the bankrupt entity was insolvent at the time of the act or the transaction:

  - o payments of debts that are immediately due and payable and any onerous transactions entered into or made within six months prior to the insolvency declaration; and

  - o granting of security interest for debts incurred in the six months prior to the insolvency declaration.

- The following transactions are exempt from claw-back actions:

  - o payments for goods or services made in the ordinary course of business according to market practice;

  - o a remittance on a bank account; provided that it does not materially and permanently reduce the bankrupt entity's debt towards the bank;

  - o the sale, including an agreement for sale registered pursuant to Article 2645-bis of the Italian Civil Code, currently in force, made for a fair value and concerning a residential property that is intended as the main residence of the purchaser or the purchaser's family (within three degrees of kinship) or a non-residential property that is intended as the main seat of the enterprise of the purchaser; provided that, as at the date of the insolvency declaration, the activity is actually exercised therein or the investments for the commencement of such activity have been carried out therein;

  - o transactions entered into and payments made with respect to the bankrupt entity's goods, provided that they concern the implementation of a piano di risanamento attestato;

- transactions entered into, payments made and guarantees and security interests granted by the debtor pursuant to a plan (piano attestato) under Article 67 of the Italian Bankruptcy Law;

- a transaction entered into, payment made or guarantee or security granted in the context of “concordato preventivo” under Article 161 of the Italian Bankruptcy Law or an “accordo di ristrutturazione del debito” under Article 182-bis of the Italian Bankruptcy Law and transactions entered into, and payments made after the filing of the application for a concordato preventivo;

- remuneration payments to the bankrupt entity’s employees and consultants concerning work carried out by them; and

- payments of a debt that is immediately due, payable and made on the due date, with respect to services necessary for access to concordato preventivo procedures.

In addition, in certain cases, the bankruptcy receiver can request that certain transactions of the bankrupt entity be declared ineffective within the ordinary claw-back period of five years (*revocatoria ordinaria*) provided for by the Italian Civil Code. Under Article 2901 of the Italian Civil Code, a creditor may demand that transactions whereby the bankrupt entity disposed of its assets prejudicially to such creditor’s rights be declared ineffective with respect to such creditor, provided that the bankrupt entity was aware of such prejudice (or, if the transaction was entered into prior to the date on which the claim was originated, that such transaction was fraudulently entered into by the bankruptcy entity for the purpose of prejudicing the bankrupt entity) and that, in the case of a transaction entered into for consideration with a third person, the third person was aware of such prejudice (and, if the transaction was entered into prior to the date on which the claim was originated, such third person participated in the fraudulent design). The burden of proof is entirely with the receiver.

Law 132/2015 also introduced new Article 2929-bis to the Italian Civil Code, providing for a “simplified” clawback action for the creditor with respect to certain types of transactions put in place by the debtor with the aim to subtract (registered) assets from the attachment by its creditors. In particular, the creditor can now start enforcement proceedings over the relevant assets without previously obtaining a Court decision clawing back/ nullifying the relevant (fraudulent) transaction, to the extent that such transaction had been carried out without consideration (e.g., gratuitous transfers, or creation of shield instruments such as trusts or the so called fondo patrimoniale or “family trust”). In case of gratuitous transfers, the enforcement action can also be carried out by the creditor against the third party purchaser.

Finally, the Insolvency Regulation contains conflicts of law rules which replace the various national rules of private international law in relation to insolvency proceedings within the European Union.

Extraordinary administration for large insolvent companies (amministrazione straordinaria delle grandi imprese in stato di insolvenza)

The extraordinary administration procedure applies under Italian law for large industrial and commercial enterprises; this procedure is commonly referred to as the “Prodi-bis procedure.” To be eligible, companies must be insolvent although able to demonstrate serious recovery prospects, have employed at least 200 employees in the previous year preceding the commencement of the procedure, and have debts equal to at least two-thirds of its assets as shown in its financial statements and two-thirds of its income deriving from sales and services during its last financial year. The procedure may be commenced by petition of the creditors, the debtor, a court or the public prosecutor. The same rules set forth for bankruptcy proceedings with respect to existing contracts and creditors’ claims largely apply to an extraordinary administration proceeding. Preferential payment is granted to those credits (even unsecured) accrued to allow the conduct of the company's business activity. Extraordinary administration procedures involve two main phases, a judicial phase and an administrative phase.

In the judicial phase, the court determines whether the company meets the admission criteria and whether it is insolvent. It then issues a decision to that effect and appoints up to three judicial receivers (commissario giudiziale) to investigate whether there are serious prospects for recovery via a business sale or reorganization. The judicial receiver submits a report to the court (within 30 days) together with an opinion from the Italian Ministry of Economic Development (the "**Ministry**"). The court has 30 days to decide whether to admit the company to the procedure or place it into bankruptcy.

In addition, the extraordinary commissioner draws up a report every six months on the financial condition and interim management of the company and sends it to the Ministry.

If the company is admitted to the extraordinary administration procedure, the administrative phase begins and the extraordinary commissioner(s) appointed by the Ministry prepare a restructuring plan. The plan can provide either for the sale of the business as a going concern within one year (unless extended by the Ministry) (the "**Disposal Plan**") or a reorganization leading to the company's economic and financial recovery within two years (unless extended by the Ministry) (the "**Recovery Plan**"). It may also include an arrangement with creditors (*concordato*). The plan must be approved by the Ministry within 30 days from the submission by the extraordinary commissioner(s). The procedure ends upon successful completion of either a Disposal Plan or a Recovery Plan; however' should either plan fail, the company will be declared bankrupt. In addition, the extraordinary commissioner draws up a report every six months on the financial condition and interim management of the company and sends it to the Ministry.

Industrial restructuring of large insolvent companies (ristrutturazione industriale di grandi imprese in stato di insolvenza)

Introduced in 2003 pursuant to Italian Law Decree No. 347 of December 23, 2003, as converted into Italian Law No. 39 of 2004 and subsequently amended, this procedure is also known as the "Marzano procedure." It is complementary to the Prodi-bis procedure and, except as otherwise provided, the same provisions apply. The Marzano procedure is intended to work faster than the Prodi-bis procedure. For example, although a company must be insolvent, the application to the Ministry can be made before the court commences the administrative phase.

The Marzano procedure only applies to large insolvent companies which, on a consolidated basis, have at least 500 employees in the year before the procedure is commenced and at least €300 million of debt (including those arising from outstanding guarantees). The decision whether to open a Marzano procedure is taken by the Ministry following the debtor's request (who must also file an application for the declaration of insolvency). The Ministry assesses whether the relevant requirements are met and then appoints the extraordinary commissioner(s) who will manage the company. The court also decides on the company's insolvency.

The extraordinary commissioner(s) has/have 180 days (or 270 days if the Ministry so agrees) to submit a Disposal Plan or Recovery Plan. The restructuring through the Disposal Plan or the Recovery Plan must be completed within, respectively, one year (extendable to two years) and two years. If no Disposal or Recovery Plan is approved by the Ministry, the court will declare the company bankrupt and open bankruptcy proceedings.

Compulsory administrative winding-up (liquidazione coatta amministrativa)

A compulsory administrative winding-up (*liquidazione coatta amministrativa*) is only available for public interest entities such as state-controlled companies, insurance companies, credit institutions and other financial institutions, none of which can be wound up pursuant to bankruptcy proceedings. It is irrelevant whether these companies belong to the public or the private sector. A compulsory administrative winding-up is special insolvency proceedings in that the entity is liquidated not by the bankruptcy court but by the relevant administrative authority that oversees the industry in which the entity is active. The procedure may be triggered not only by the insolvency of the relevant entity, but also by other grounds expressly provided for by the relevant legal provisions (e.g., in respect of Italian banks, serious irregularities concerning the management of the bank or serious violations of the applicable legal, administrative or statutory provisions).

The effect of this procedure is that the entity loses control over its assets and a liquidator (*commissario liquidatore*) is appointed to wind up the company. The liquidator's actions are monitored by a steering committee (*comitato di sorveglianza*). The powers assigned to the designated judge and the bankruptcy court under the other insolvency proceedings are assumed by the relevant administrative authority under this procedure. The effect of the forced administrative winding-up on creditors is largely the same as under bankruptcy proceedings and includes, for example, a ban on enforcement measures. The same rules set forth for bankruptcy proceedings with respect to existing contracts and creditors' claims largely apply to a compulsory administrative winding-up.

Interim financing

The Decree 83/2015, as amended by Law 132/2015, introduced the possibility for debtors to also obtain authorization to receive urgent interim financing and to continue to use existing trade receivables credit lines (*linee di credito autoliquidanti*) necessary for their business needs before a court's approval of a Pre-Bankruptcy Composition with Creditors (*concordato preventivo)* or the entry into a debt restructuring agreement (*accordo di ristrutturazione dei debiti*) with priority status (*prededucibilità*) in case of subsequent bankruptcy without the expert certification and through an accelerated review process by the relevant court, upon, among other things, the relevant debtor's declaration that interim finance is urgently needed and that the debtor's inability to access such finance would cause imminent and irreparable damage. The court must decide on the request within 10 days of the filing of the application after consultation with the judicial commissioner and, if deemed necessary, the principal creditors.

Before the entry into force of the Decree 83/2015, debtors could be granted financing with priority status (*prededucibilità*) before a court's approval of a Pre-Bankruptcy Composition with Creditors (*concordato preventivo*) or the entry into a debt restructuring agreement (*accordo di ristrutturazione dei debiti*) if: (i) an expert certified that such financing is functional to the overall restructuring process; or (ii) such financing is provided for by the plan or the agreement, provided in each case that the court approved such priority status.

Hardening period/clawback and fraudulent transfer

In a bankruptcy proceeding, the Italian Bankruptcy Law provides for a claw-back period of up to one year (six-months in certain circumstances). In addition, in certain cases, the bankruptcy receiver can request that certain transactions of the debtor are declared ineffective within the Italian Civil Code ordinary claw-back period of five years (*revocatoria ordinaria*).

Under Italian law, in the event that the relevant guarantor enters into insolvency proceedings, any future security interests or guarantees could be subject to potential challenges by an insolvency administrator or by other creditors of such guarantor and/or security provider under the rules of avoidance or claw-back of Italian Bankruptcy Law and the relevant law on the non-insolvency avoidance or claw-back of transactions by the debtor made during a certain legally specified period (the "**suspect period**"). The avoidance may relate to transactions made by the debtor within a suspect period of one year prior to the declaration of the insolvency at below market value (i.e., to the extent the asset or obligation given or undertaken exceeds by one quarter the value of the consideration received by the debtor), or involving unusual means of payment (e.g., payment in kind) or new guarantee or security granted with respect to pre-existing debts not yet due at the time the guarantee or security is entered into after the creation of the secured obligations, unless the non-insolvent creditor proves that it had no knowledge of the debtor's insolvency at the time the transaction was entered into, (ii) security granted within six months prior to the declaration of insolvency with respect to pre-existing debts due and payable, unless the non-insolvent creditor proves that it had no knowledge of the debtor's insolvency at the time the transaction was entered into, and (iii) payments of due and payable obligations, transactions at arm's length, guarantee or security taken simultaneously to the creation of the secured obligations during the suspect period of six months prior to the declaration of the insolvency, if the bankruptcy receiver proves that the creditor was aware of the insolvency of the debtor. The transactions potentially subject to avoidance also include those contemplated by a Italian Guarantor's Guarantee. If they are challenged successfully, the rights granted under the guarantees may become unenforceable and any amounts received must be refunded to the insolvent estate. To the extent that the grant of a guarantee is voided, holders of the Notes could lose the benefit of the guarantee and may not be able to recover any amounts under the related Guarantee.

It should be noted that: (i) under Article 64 of the Italian Bankruptcy Law, subject to certain limited exceptions, all transactions carried out by the insolvent debtor for no consideration are ineffective vis-à-vis creditors if entered into by the debtor in the two-year period prior to the insolvency declaration, and (ii) under Article 65 of the Italian Bankruptcy Law, payments of receivables falling due on the day of the insolvency declaration or thereafter are ineffective vis-à-vis creditors, if made by the bankrupt entity in the two-year period prior to insolvency.

In addition, as noted above, the Insolvency Regulation contains conflicts of law rules which replace the various national rules of private international law in relation to insolvency proceedings within the European Union, as well as within the United Kingdom with respect to insolvency proceedings opened before December 31, 2020, the end of the "implementation period" under the terms of the Withdrawal Agreement signed on January 24, 2020 between the United Kingdom and the European Union.

Spain

The Spanish Guarantors are organized under the laws of Spain. As a general rule and in accordance with the rules on determination of the COMI summarized in the section above, in the event of an insolvency of the Spanish Guarantors, insolvency proceedings shall be initiated in Spain and governed by Spanish law.

The Legislative Royal Decree 1/2020, of 5 May, approving the (*Real Decreto Legislativo 1/2020, de 5 de mayo, por el que se aprueba el texto refundido de la Ley Concursal*), which repealed the Act 22/2003 of 9 July, on Insolvency (*Ley 22/2003, de 9 de julio, Concursal*), as amended (the "**Spanish Insolvency Act**") regulates pre-insolvency and court insolvency proceedings, as opposed to out-of-court liquidation, which is only available when the debtor has sufficient assets to meet its liabilities.

The insolvency proceedings, which are called *concurso de acreedores*, are applicable to all persons and legal entities, except for public entities. These proceedings may lead either to the restructuring of the business or to the liquidation of the assets of the debtor.

The insolvency laws of Spain may differ from the laws of the United States, the United Kingdom or other jurisdictions to which you may be familiar. The following is a brief description of certain aspects of the insolvency laws of Spain.

Prospective investors should note that that Spanish Insolvency Act originally regulated by Law 22/2003 underwent various reforms and amendments since first published in 2003. The Spanish Government has approved in 2020 the latest recasting, in force as from September 1, 2020, in order not only to incorporate all these amendments but also to clarify and harmonize certain questions raised by the courts and the doctrine since its first application by Spanish courts, however, it should be noted that certain matters are still be subject to different views and different interpretations by the relevant insolvency courts from time to time.

The entry into force of Directive 2019/1023 of the European Parliament and of the Council, of June 20, 2019, on preventive restructuring frameworks, on discharge of debt and disqualifications, and on measures to increase the efficiency of procedures concerning restructuring, insolvency and discharge of debt, implies that Spain will have two years as of such date for the transposition of such Directive into Spanish regulations. This transposition process may lead to the approval of certain amendments to the Spanish Insolvency Act. Notwithstanding the foregoing, the transposition process has not been initiated yet and, therefore, it is still uncertain how this Directive will affect the Spanish Insolvency Act.

In addition, due to the health crisis generated by the COVID-19, on March 14, 2020, the Spanish Government declared a State of Alarm (*Estado de Alarma*) in Spain from March 14 to June 8, 2020 and, from that date, the Spanish Government has enacted certain Royal Decree Laws that temporarily amend certain provisions of the Spanish insolvency regime, as further described below. Moreover, future changes, amendments or restatements of the Spanish Insolvency Act cannot be disregarded either.

Concept and Petition for Insolvency

In Spain, insolvency proceedings are only triggered when a debtor is deemed insolvent, which means either (i) when a debtor becomes unable to regularly meet its obligations as they become due and payable ("**current insolvency**" or *insolvencia actual*); or (ii) when a debtor expects that it will shortly be unable to do so ("**imminent insolvency**" or *insolvencia inminente*). Insolvency proceedings are available as a type of legal protection that a debtor may request in order to avoid the attachment of its assets by its creditors.

A petition for insolvency (*solicitud de declaración de concurso*) may be initiated:

(a) by the debtor (in the case of a company, by decision of its directors), in which case the insolvency proceedings are considered as "voluntary insolvency" (*concurso voluntario*); or

(b) by any creditor, provided that it has not acquired the credit within the six months prior to the filing of the petition for insolvency, for *inter vivos* acts, on a singular basis and once the credit was mature, or by certain other interested third parties, in which case the insolvency proceedings are considered as "mandatory insolvency" (*concurso necesario*).

Notwithstanding, only the debtor may file a petition for insolvency on the basis of its imminent insolvency.

As described in further detail below, the Spanish Insolvency Act provides that insolvency proceedings conclude following either the court confirmation of a creditors' composition agreement for a reorganization or *convenio* (the "**Reorganization Plan**" or "**Convenio**"), or the liquidation of the debtor's estate (the "**Liquidation**"). An insolvency proceeding can also conclude (i) at any moment when it is verified that there are insufficient assets to pay post insolvency debt, (ii) at any moment when it is verified that all of the credits have been paid, or the situation of insolvency does no longer exist, or (iii) when it is verified that all of the creditors have waived their credit rights.

Voluntary insolvency (concurso voluntario)

Insolvency is considered voluntary (*concurso voluntario*) if filed by the relevant debtor.

As a general rule, the debtor must file a petition for insolvency within two (2) months after it becomes aware, or should have become aware, of its state of insolvency. It is presumed that the debtor becomes aware of its insolvency, unless otherwise proved, if any of the circumstances that qualify as the basis for a petition for necessary insolvency occur.

Failure to file a petition for insolvency within the statutory 2-month period impedes the debtor to propose a pre-arranged Reorganization Plan and directors might be held personally liable in the event of liquidation for the impaired claims accrued as from the onset of insolvency.

Notwithstanding the foregoing, this general rule of the debtors' duty to file for insolvency within the referred 2-month period does not apply if the debtor notifies to the relevant court the initiation of negotiations with its creditors to reach (i) a pre-arranged Reorganization Plan (*propuesta de convenio anticipado*); (ii) an out-of-court workout (*acuerdo de refinanciación*) set out in Article 598 of the Spanish Insolvency Act; or (iii) a collective out-of-court repayment agreement (*acuerdo extrajudicial de pagos*) under Articles 631 *et seq*. of the Spanish Insolvency Act (the "**Creditors' Negotiations Communication**").

If the debtor files with the relevant court a Creditors' Negotiation Communication, on top of the aforesaid 2-month general term, the debtor gains an additional 3-month period to achieve an agreement with its creditors regarding a pre-arranged Reorganization Plan, an out-of-court workout or an out-of-court repayment agreement, plus one (1) further month to file for insolvency, unless it has overcome insolvency.

During this 3-month period, creditors' petitions for necessary insolvency will not be accepted. Likewise, this Creditors' Negotiation Communication prevents the commencement of court or out-of- court enforcement actions, and/or suspends (as applicable) existing enforcement actions, over assets or rights integrated in the debtor's estate (*patrimonio del deudor*) or demanding seizure of assets or rights deemed necessary for the company's business operations (other than those arising from public law claims) during the abovementioned additional 3-month period.

In addition, enforcement proceedings that have been brought by creditors holding financial claims shall be prohibited or suspended (as applicable) provided that it is evidenced that at least 51% of the creditors holding financial liabilities (by value) have supported the initiation of negotiations to enter into a collective refinancing agreement (*acuerdo de refinanciación colectivo*) set out in Articles 597 et seq. of the Spanish Insolvency Act (a "**Refinancing Agreement**"); and have expressly agreed to suspend or not initiate enforcement proceedings against the debtor while creditors holding financial liabilities are still negotiating.

Nevertheless, secured creditors shall be entitled to bring enforcement proceedings against the relevant secured assets, though once the proceedings have been initiated, such enforcement proceedings shall be immediately suspended. In any event, financial collateral and security interests over collateral located outside of Spain should not in principle be affected by the Creditors' Negotiation Communication automatic stay of proceedings.

Mandatory insolvency (concurso necesario)

Insolvency is considered mandatory (*concurso necesario*) if filed by a creditor and, in certain cases, the insolvency mediator (*mediador concursal*).

In accordance with Article 2.4 of the Spanish Insolvency Act, a creditor can seek a declaration of insolvency of its debtor if (i) such creditor can prove it is not possible to attach any assets, or sufficient assets of the debtor, to pay the amount owed; or (ii) evidences before court a final previous judicial or administrative declaration of insolvency; or (iii) there is a generalized default on payments by such debtor; (iv) there is a seizure of assets affecting or comprising the generality of such debtor's assets; (v) there is a misplacement, "fire sale" or ruinous liquidation of the debtor's assets; or (vi) there is a generalized default on certain tax, social security and employment obligations during the applicable statutory period (i.e. three months).

Upon receipt of an insolvency petition by the entitled party, the court may issue interim measures to protect the assets of the relevant debtor and may request a guarantee from the petitioning creditor asking for the adoption of such measures to cover damages caused by the preliminary protective measures.

The relevant debtor may challenge the necessary insolvency petition, for which it will have to prove that it is not insolvent, unless the creditor's insolvency petition is based on (i) the evidence of a final previous judicial or administrative final declaration of insolvency; (ii) the failure to seize sufficient assets of the debtor to pay the amounts owed; or (iii) the seizure of assets affecting or comprising the generality of such debtor's assets, where the Insolvency Court will hand down an order declaring the opening of the insolvency proceeding without hearing the debtor. In this case, the Insolvency Court will summon the parties to a hearing and will finally render a court ruling either dismissing the application filed by the creditor or declaring insolvency.

The Spanish Board of Ministers approved on April 28, 2020 the Royal Decree-Law 16/2020 which provides that, until December 31, 2021, debtors are released from their obligation to file for insolvency and insolvency judges will not process any creditor's insolvency request that is filed prior to that date.

Due also to certain COVID-19 related measures, the 2020 year-end corporate results will not be taken into account for the purposes of determining if a company is under mandatory dissolution cause. However, if 2021 financial year results show losses that reduce the net equity (*patrimonio neto*) below half of the share capital, the General Shareholders' Meeting must be convened by the directors or at the request of any shareholder within two months from financial year-end, in order to wind up and liquidate the company, unless the share capital is sufficiently increased or reduced.

Request of coordinated insolvency

The insolvency of a company that forms part of a group of companies, including the parent company, does not automatically lead to the insolvency of the remaining companies of the group. As stated above, a company is insolvent when it cannot regularly meet its payment obligations as they fall due.

Notwithstanding the above, creditors may apply for a coordinated insolvency declaration of two or more of its debtors (*acumulación de concursos*) if either: (a) the assets are commingled, or (b) such debtors form part of the same group of companies.

Therefore, the request for the coordinated insolvency of two or more legal entities may only be filed by a common creditor of the relevant companies and each of the affected companies must in fact be separately insolvent.

Coordinated insolvency may also be requested by the companies themselves provided that they form part of the same group.

Any of the insolvent debtors or the insolvency administrator, as the case may be, may apply for the procedural coordination of insolvency proceedings already declared under certain circumstances (and, in particular, if the insolvent debtors form part of the same group of companies). Moreover, creditors may apply for the procedural coordination of the insolvency proceedings of two or more of its debtors already declared if either (a) the assets are commingled, or (b) they pertain to the same group of companies, provided that a petition has not been submitted by any of the insolvent debtors or by the insolvency administrator pursuant to Article 41 of the Spanish Insolvency Act.

It is important to note that coordinated insolvency proceedings do not entail substantive consolidation. As a result, and as a general rule, a "group insolvency" does not lead to a commingling of the debtors' assets and creditors of such group. This means that the creditors of one company of the group will not have recourse against other companies of the same group (except where cross-guarantees exist, in which case such a financial claim shall be subordinated).

The current system that the Spanish Insolvency Act provides for is basically a procedural one, which is aimed at making the insolvency proceedings as time and cost-efficient as possible. However, exceptionally, for the purpose of drafting the insolvency report, by the insolvency administrator only, assets and liabilities amongst the insolvent companies may be consolidated where the estates and liabilities are so commingled, in order to avert unjustified cost and delay.

Certain effects of insolvency

<u>Effects for the debtor</u>

As a general rule and subject to certain exceptions, in a voluntary insolvency (*concurso voluntario*) the debtor retains its powers to manage and dispose of its business, but is subject to the supervision of the insolvency administrator ("***administración concursal***") (the "**Insolvency Administrator**") appointed by the competent Commercial Court *(Juzgado de lo Mercantil*) dealing with the insolvency proceedings (the "**Insolvency Court**").

In contrast, in the case of mandatory insolvency (*concurso necesario*), as a general rule and subject to certain exceptions, the debtor no longer has power over its assets, and management powers (including the power to dispose of assets) are conferred solely upon the Insolvency Administrator. However, the Insolvency Court has the power to modify this general regime subject to the specific circumstances of the case.

In addition, upon the Insolvency Administrator request, the Insolvency Court has the power to swap the intervention regime for a suspension regime or vice versa.

Actions carried out by the debtor in breach of any required supervision of the insolvency authorities may be declared null and void unless ratified by the Insolvency Administrator.

Subject to certain exceptions linked to the maintenance and conservation of the debtor's estate, the debtor shall not sell or create security over its rights and assets without the Insolvency Court's authorization until the approval of the Reorganization Plan with the creditors or the opening of the liquidation phase.

<u>Effects on contracts</u>

As explained in further detail below, one of the main general principles underlying the Spanish insolvency regime is that of "no termination effect" or continuity of all contracts to which the insolvent debtor is party.

In accordance with Article 157 of the Spanish Insolvency Act, all clauses in contracts with reciprocal obligations that allow any party to terminate an agreement based solely on the other party's insolvency declaration (*ipso facto* clauses) are deemed as not included in the agreement and, therefore, unenforceable, except if expressly permitted by specific laws (i.e. agency laws or Royal Decree Law 5/2005, applicable to financial collateral, as defined therein). Any provision to the contrary will be null and void.

Insolvency declaration does not hinder the effectiveness of contracts with reciprocal obligations pending on performance by both the insolvent party and the counterparty (executory contracts), which remain in full force and effect, and the obligations of the insolvent debtor will be fulfilled against the insolvent estate (administrative expense—post-insolvency credits that are pre-deductible from the debtor's estate—*créditos contra la masa*, as further explained below).

However, upon post- petition breaches, the Insolvency Court can terminate any such contracts at the request of the non-breaching party of the agreement or declare the continuation of the executory contract based on the "insolvency proceeding´s best interest" (*mantenimiento del contrato en interés del concurso*), in which case the non-insolvent party's claim will be considered as a post-insolvency credit (pre-deductible from the debtor's estate, *créditos contra la masa*).

On the other hand, the Insolvency Administrator (together with the insolvent debtor or by its sole discretion if debtor's powers to manage and dispose of its business have been conferred to the Insolvency Administrator) may request the Insolvency Court to early terminate the executory contract in the interest of the insolvent debtor's estate (*resolución del contrato en interés del concurso*). The termination of such contracts may result in the insolvent debtor having to return and indemnify damages to its counterpart against the insolvency estate (*con cargo a la masa*). In the event that debtor, the Insolvency Administrator and the counterparty agree on the termination and its effects, the Insolvency Court will approve the parties' agreement; otherwise, if the Insolvency Court upholds termination, it will also fix the damages claim to be received by the non-breaching party.

Furthermore, insolvency declaration stays the accrual of interest amounts under the relevant agreements, except for: (i) credit rights secured with an *in rem* right, in which case interest accrues up to the value of the security interest as such value is to be determined in accordance with the provisions of the Spanish Insolvency Act (i.e. 90% of the collateral fair value minus senior claims), and (ii) any wage credits in favor of employees, which will accrue the legal interest set forth in the Act of the State Budget (*Ley de Presupuestos del Estado*) in force at that time.

<u>Effects on enforcement proceedings</u>

As a general rule, the initiation of insolvency proceedings stays enforcement actions.

In particular, the enforcement of any *in rem* security interest over those assets or rights that are deemed by the Insolvency Court as necessary to the continuation of the debtor's commercial or professional activity, or to a business unit of the insolvent company, cannot be commenced (and the procedures already initiated before insolvency declaration shall be suspended) until the earlier of: (i) approval of a Reorganization Plan or *Convenio* provided that such Reorganization Plan does not affect such right; or (ii) one (1) year has elapsed since the declaration of insolvency without liquidation phase under the insolvency proceedings being initiated.

This stay of enforcement proceedings will only be lifted when the Insolvency Court determines that the assets or rights is not considered necessary for the debtor to continue its professional or business activities, or when any of the aforementioned scenarios occur.

When it comes to determining which assets or rights of the debtor are used for its professional or business activities, Spanish courts have generally embraced a broad interpretation and will likely include most of the debtor's assets and rights.

Nevertheless, shares (either *acciones* or *participaciones sociales*) held by an insolvent debtor in another company whose only activity is the holding of a material asset and servicing the financing provided in connection with the acquisition of that asset, are not considered to be an asset necessary for the debtor's business activity as long as the foreclosure of the relevant security interest that has been granted over such shares does not bring about an early termination or amendment of the contractual relations permitting the economic exploitation of the relevant asset.

Moreover, as a general rule, insolvency proceedings are not compatible with other enforcement proceedings that can have an effect on the estate (excluding enforcement proceedings with regard to financial collateral, as defined in RDL 5/2005). When compatible, in order to protect the interests of the debtor and creditors, the Spanish Insolvency Act extends the jurisdiction of the Insolvency Court, which is then legally authorized to handle any enforcement proceedings or interim measures affecting the debtor's assets (whether based upon civil, labor, or administrative law).

Finally, prospective investors should also note that enforcement of any security interests will be subject to the provisions of Spanish Civil Procedure Act and Spanish Insolvency Act (where applicable), which may entail delays in the enforcement.

Ranking of creditors' credits and claims

The court decision issued by the competent Insolvency Court declaring the opening of insolvency proceedings for a particular debtor (*auto de declaración de concurso*) shall contain an express request for the creditors (i) to declare those debts owed to them within the period of one (1) month period as from the day after the publication of the insolvency proceedings in the Spanish Official Gazette (*Boletín Oficial del Estado*), and (ii) to provide the Insolvency Administrator with the relevant documentation to justify such credits.

Based on the documentation provided by the creditors and that is held by the debtor, the Insolvency Administrator shall draw up an inventory and a list of acknowledged creditors/claims and classify them according to the categories that the Spanish Insolvency Act provides for and that are summarized below.

In accordance with the Spanish Insolvency Act, creditors' claims are classified in two main groups: (i) post-insolvency credits/estate claims (*créditos contra la masa*); and (ii) insolvency claims (*créditos concursales*).

Post-insolvency credits/estate claims (*créditos contra la masa*)

Article 251 of the Spanish Insolvency Act provides for the so-called "estate claims" (*créditos contra la masa*) which main feature is that these are pre-deductible (i.e. when they become due and payable) claims from the insolvent debtor's estate (excluding those assets of the insolvent debtor subject to *in rem* security).

Debt against the insolvent debtor's estate includes, among others:

(a) certain amounts of the employee payroll;

(b) costs and expenses of the insolvency proceedings;

(c) debtor's liabilities under executory contracts and those deriving from damages claim obligations to return arising out of termination for breach, assumption or rejection of executory contracts;

(d) those debts that derive from the exercise of a clawback action within insolvency of bilateral contracts (except in cases of bad faith);

(e) certain amounts arising from obligations created by law or tort liability of the insolvent debtor after insolvency declaration and until its conclusion;

(f) certain debts incurred by the debtor following the date of the insolvency declaration;

(g) insolvency administrator's fees;

(h) in case of liquidation, the financing granted to the debtor r before the opening of the liquidation phase to finance the viability plan for the execution of a Reorganization Plan in accordance with the Spanish Insolvency Act;

(i) 50% of the new funds (i.e. fresh money) lent under a Refinancing Agreement or a court sanctioned refinancing agreement set out in Articles 605 et seq. of the Spanish Insolvency Act ("***Homologated Refinancing Agreement***"), which also contemplates a debt-for-equity swap executed before the granting of those new funds.

However, this benefit shall not apply to the new funds lent by the debtor or by specially related parties (*personas especialmente relacionadas*) of the debtor resulting from a share capital increase, loans or acts with analogous purpose.

These post-insolvency claims are deemed "super-senior" in the sense that they are not subject to ranking or acknowledgement and, in principle, must be paid as and when they fall due; therefore, these claims are preferred to all others, except for proceeds from collateral subject to specially privileged claims (as described below).

<u>Insolvency claims (*créditos concursales*)</u>

Insolvency claims are classified in the following categories:

(a) **Specially privileged claims (*créditos con privilegio especial*)**: Those creditors benefiting from security interests created by the insolvent debtor over certain assets (i.e. *in rem* securities) up to the amount of the value of their security interests calculated in accordance with the rules set out in Article 275 of the Spanish Insolvency Act, i.e. 90% of the reasonable value of the secured asset minus those claims that hold higher ranking security over such asset, provided that such security interest is listed in the creditors' list.

The portion of the claim of a secured creditor exceeding the value of the relevant security interests calculated as per the above will be classified according to the nature of the claim (usually, ordinary or subordinated claims).

These claims benefiting from special privileges may entail separate proceedings, though subject to certain restrictions derived from a waiting period that may last up to one (1) year and certain additional limitations that the Spanish Insolvency Act provides for.

Specially-privileged creditors are not subject to the Reorganization Plan or *Convenio* unless they give their express support by voting in favor of the Reorganization Plan or, in case they do not give such express support, if creditors holding security which represent at least 60% (or 75% depending on the workout measures envisaged under the Reorganization Plan) of the total value of secured claims of the same class vote in favor of such Reorganization Plan.

In the event of liquidation, the specially-privileged creditors are the first to collect payment against the assets on which their credit are secured up to the value of the security interest. However, the Insolvency Administrator has the option to halt any enforcement of the security interests and pay these claims as administrative expenses under specific payment rules.

(b) **Generally privileged claims (*créditos con privilegio general*):** Those creditors benefiting from a general privilege, including, among others, (a) specific labor claims and specific claims brought by public entities or authorities; (b) 50% of the claims held by the creditor who firstly filed for the insolvency of the debtor (excluding subordinated claims); and (c) 50% of the new funds under a Refinancing Agreement or a Homologated Refinancing Agreement.

Similarly to specially-privileged creditors, these generally-privileged creditors are not subject to the Reorganization Plan or *Convenio* unless creditors holding claims benefiting from general privileges which represent at least 60% (or 75% depending on the workout measures envisaged under the Reorganization Plan) of the total value of claims benefiting from general privileges of the same class vote in favor of such Reorganization Plan.

In the event of liquidation, they are the first to collect payment against assets other than those secured by a specially privileged claim after specially privileged creditors, in accordance with the ranking that the Spanish Insolvency Act provides for.

(c) **Ordinary claims (*créditos ordinarios*)**: Ordinary creditors are all those creditors who have claims that are not classified as non-subordinated or non-privileged claims, and they shall be paid *pro rata* once the estate claims and both generally and specially privileged claims have been paid.

(d) **Subordinated claims (*créditos subordinados*)**: Subordinated creditors is a category of claims that includes, among others:

- credits communicated late (outside the specific 1-month period mentioned above);
- credits which are contractually subordinated *vis-à-vis* all other credits of the debtor;
- credits relating to unpaid interest claims (including default interest), except for those credits secured with an *in rem* right up to the value of the security interest;
- fines; and
- claims of creditors which are "specially related parties" (*personas especialmente relacionadas*) to the insolvent debtor, which is a category that is particularly noteworthy and can be summarized as follows:

- In the case of individuals: any debtor's relatives; legal entities controlled by the debtor or its relatives; the factual or legal administrators of such legal entities; any other legal entity forming part of the same group of companies and the legal entities in respect of which the people described in this paragraph are their factual and legal administrators.

- In the case of a legal entity:

  - shareholders with unlimited liability (in case such shareholders are natural persons it would include any special related party to these shareholders, as described herein);

  - limited liability shareholders holding directly or indirectly 10% or more of the insolvent company's share capital (or 5% if the company is listed or has securities listed in a secondary official market, as this would be the case for the Target) at the time the credit is originated;

  - directors (either *de jure* or *de facto*), insolvency liquidators, general managers holding general powers of attorney from the insolvent company (including those people that have held these positions during the two years prior to the insolvency declaration); and

  - companies belonging to the same group as the debtor and their respective shareholders provided that such shareholders meet the minimum shareholding requirements set forth above (i.e. 10% or 5% if the relevant company is listed).

Furthermore, in the absence of proof to the contrary, assignees or awardees of claims belonging to any of the persons mentioned above are presumed to be persons specially related to the insolvent debtor as long as the acquisition has taken place within two years prior to the insolvency proceedings being declared open.

Notwithstanding the above, those creditors who have directly or indirectly capitalized their credit rights pursuant to a Refinancing Agreement or an Homologated Refinancing Agreement (and who have even been appointed as directors) shall not be considered as being in a special relationship with the debtor, in respect of credits against the debtor, as a result of the financing granted under such Refinancing Agreement or an Homologated Refinancing Agreement.

Subordinated creditors are "second-level" creditors. They do not have voting rights but are subject to the terms of the Reorganization Plan once ordinary claims are satisfied pursuant to the terms of such Reorganization Plan.

Therefore, subordinated creditors have rather limited chances of collecting payment according to the ranking of claims that the Spanish Insolvency Act provides for.

As an exception to this subordination regime, fresh money granted to the debtor pursuant to an out-of-court workout regulated under Articles 596 et seq. of the Spanish Insolvency Act or an Homologated Refinancing Agreement, which also contemplates a debt-for-equity swap executed before the granting of such fresh money, shall not be classified as subordinated claim under Article 281.1.5.º of the Spanish Insolvency Act provided that the requirements set out in Article 283.2 of the Spanish Insolvency Act are met. This is an incentive to promote fresh money and debt-for-equity swaps in order to remove insolvency out-of-court.According to Royal Decree Law 16/2020, loans granted by specially related persons (*personas especialmente relacionadas*) after the declaration of the State of Alarm (declared March 14, 2020) will rank (i) as estate claims in case of infringement of a composition agreement within the two years following the declaration of the State of Alarm (i.e. until March 14, 2022), and (ii) as ordinary claims in case of insolvency proceedings declared within two years following the declaration of the State of Alarm (i.e. until March 14, 2022). In this case, payment of ordinary or privileged claims made by a specially related person on behalf of the debtor will also rank as ordinary claims.

<u>No termination effects</u>

The Spanish Insolvency Act provides for the general principle of “no termination effect” as one of the cornerstones upon which the Spanish insolvency regime is built.

According to this principle, all contracts and arrangements of the insolvent debtor remain effective at the time of the insolvency, which means that the declaration of insolvency by itself does not impair the existence and effectiveness of the agreements contracts entered into by the debtor Any contractual arrangements providing for the early termination of a contract with mutual obligations and/or entitling the relevant creditor to terminate it in the event of the declaration of insolvency of the debtor will be unenforceable.

As a general rule, the declaration of insolvency does not alter the general contractual rules on termination, but under the Spanish Insolvency Act, the Insolvency Court may decide to remedy an eventual default of the insolvent party by reinstating an agreement, with the effect that any outstanding amounts and further payments under the agreement will be post-insolvency claims (*créditos contra la masa*) with the effects summarized above. If the Insolvency Court deems it appropriate for the interests of the insolvent party, it is also entitled to terminate an agreement, with compensation for damages if it deems it is best for the insolvency proceeding. There are specific rules for employment agreements, mainly affecting collective dismissals, which are dealt with by the insolvency judge.

<u>Hardening periods</u>

There is no clawback by operation of law, which means that there are no prior transactions by a debtor that automatically become void as a result of the initiation of insolvency proceedings, but instead the Insolvency Administrator (or those creditors that have asked the Insolvency Administrator to do so in the absence of action by the Insolvency Administrator) must expressly challenge those transactions that are considered detrimental to the insolvent debtor’s estate by filing an action for rescission (*acción de reintegración*).

In accordance with the Spanish Insolvency Act, in particular under Article 226 therein, upon insolvency declaration only those transactions that could be deemed detrimental to the insolvent debtor’s estate (*perjuicio patrimonia*l) during the two (2) years prior to the date the insolvency is declared, may be challenged, even if there was no fraudulent intention.

Moreover, subject to ordinary Spanish Civil Code (*Código Civil*) based actions, the Insolvency Administrator or any creditor may bring an action to rescind a contract or agreement provided that the same is performed or entered into fraudulently and the creditor cannot obtain payment of the amounts owed in any other way. The clawback period for this action is four (4) years.

The Spanish Insolvency Act does not define the meaning of detrimental (*perjuicio patrimonial*). Detrimental does not refer to the intention of the parties, but to the consequences of the transaction on the debtor’s interest resulting in the damage to the insolvent debtor’s estate or the prejudice to the equality of the treatment among creditors which drives insolvency proceedings (*pars condition creditorum*).

Although such definition of detrimental does not exist, it is important to note that Articles 227 and 228 of the Spanish Insolvency Act provide for the following types of presumptions to determine whether it was detrimental to the insolvent debtor's estate or not within the 2-year hardening period:

(a) "irrebuttable presumptions" (*iuris et de iure*), which refer to any free disposals and to prepayment or cancellation of unsecured claims or obligations where the relevant maturity date(s) would have fall after the date on which the declaration of insolvency takes place; and

(b) "rebuttable presumptions" (*iuris tantum*) that are subject to being contested by the other party, which include the following actions:

- any disposals in favor of "specially related parties" (as described above);
- the creation of *in rem* security interests as collateral of previously existing obligations or of new obligations replacing existing ones (e.g. under a refinancing); and
- the payment or other acts to terminate obligations being secured by an *in rem* security interest and which mature after the date of declaration of insolvency.

Ordinary transactions carried out within the debtor's ordinary course of business cannot be rescinded, provided that they are carried out at arm's length.

Consequently, those acts that have been entered into by the relevant debtor may be rescinded if carried out during the 2-year hardening period and considered detrimental for such debtor's estate. In particular, judges have considered detrimental payments made by an insolvent company prior to a declaration of insolvency, determining that in some situations a debtor could not be compelled to repay its obligations at the time of payment, because it was already unable to regularly pay debts as they came due.

For this determination, there is no need of proving before the competent Insolvency Court the existence of actual or constructive fraud; it just must be proven that the relevant transaction was detrimental to the estate. The consequence of the Insolvency Court ruling for the rescission of a prejudicial act is that the parties involved in such transaction are required to return their reciprocal consideration with any accrued rents or interest and the guarantees and security interests are cancelled (concerning bilateral contracts, otherwise, the only party obliged to return is the non-insolvent one). Such claims are generally regarded as post-insolvency claims (*créditos contra la masa*) unless in case of bad faith by the relevant creditor, in which case its claims will be subordinated.

Notwithstanding the foregoing, pursuant to Article 730 of the Spanish Insolvency Act, it is important to note that those acts and transactions governed by laws other than Spanish law will not be subject to clawback actions if such act or transaction cannot be rescinded or challenged by any means and under any grounds whatsoever (i.e. not only in insolvency scenarios) under the relevant non-Spanish applicable laws. Procedurally, lenders can be sued, but the Spanish court should dismiss the clawback action on the merits if lenders prove (i) that the act or transaction at issue is subject to foreign law, and (ii) that such act or transaction is unavoidable under the circumstances pursuant to such foreign law.

Neither Refinancing Agreements or Homologated Refinancing Agreements, nor any transactions, acts and payments accomplished or any security interests created in the performance of such Refinancing Agreements or Homologated Refinancing Agreements, will be subject to an action for rescission, provided that such Refinancing Agreements or Homologated Refinancing Agreements, transactions, acts, payments or security interests comply with the requirements set out below under "—*Cramdown effects of certain refinancing agreements*."

In the case that a Refinancing Agreement under Article 598 is not subject to the procedure of court approval or "homologation" (*homologación*) described therein, the relevant creditors party to such Refinancing Agreement may obtain certain (but not total) protection against clawback, provided that such refinancing agreement is endorsed by at least 3/5 (60%) of the total claims of the insolvent debtor (calculated on an individual and on a consolidated basis but excluding intragroup claims). Among other requirements, such Refinancing Agreement must be founded on a viability plan reflecting that the insolvent debtor will be viable in the short and medium term, and it must also comply with the rest of requirements explained below.

<u>Conclusion of insolvency</u>

Composition with creditors by means of a Reorganization Plan

Once the debtor's assets and liabilities have been identified, the Spanish Insolvency Act encourages creditors to agree on a composition or reorganization plan regarding payment of the insolvency debts (i.e. the Reorganization Plan we referred to un previous sections).

This Reorganization Plan may be proposed either by the debtor or by the creditors, and it shall set forth how, when and up to what amount creditors are to be paid. Once executed, this Reorganization Plan must be honored by the debtor and respected by the creditors.

The Reorganization Plan must contain proposals for write-offs (*quitas*) and/or stays (*esperas*). Article 317 of the Spanish Insolvency Act provides that it may also contain proposals for alternative or complementary measures for all creditors or for certain classes of creditors (except for Public Law creditors), as permitted by any applicable law. The Reorganization Plan may also include proposals for allocation of all assets or of certain assets to a specific person with a commitment from the acquirer to continue the activity and to pay off the debt as determined in the Reorganization Plan. The Reorganization Plan may not include (i) any change in the amount of the debt, as determined by the Spanish Insolvency Act (without prejudice of any agreed write-offs (*quitas*) and/or stays (*esperas*)), (ii) any amendment of the credits classification, as set out in the Spanish Insolvency Act and (iii) the liquidation of the debtor's state for the payment of the credits.

The proposals in the Reorganization Plan must include a payment schedule.

(a) In order for a Reorganization Plan to be approved by the creditors, the following majorities shall be met:

- In case the Reorganization Plan includes:
- write-offs equal to or less than 50% of the amount of the claims;
- stays on the payment of principal, interest or any other outstanding amount, for a period not exceeding 5 years; or
- in the case of creditors other than those related to the public administration or employment matters, the conversion of debt into PPLs over the same period at least 50% of the unsecured liabilities (i.e. ordinary credits) shall vote in favor of such Reorganization Plan.

Notwithstanding the above, a simple majority (i.e. a portion of the unsecured liabilities voting in favor that exceeds the votes against) will suffice when the Reorganization Plan consists of (i) full payment of ordinary or unsecured claims within a period not exceeding 3 years, or (ii) immediate repayment of outstanding ordinary unsecured claims applying a write-off of less than 20%.

(b) In case the Reorganization Plan includes any other content different from the abovementioned, 65% of the unsecured liabilities (ordinary credits) should have voted for the Reorganization Plan according Article 376 of the Spanish Insolvency Act.

The holders of subordinated credits and those creditors considered as especially related to the debtor are not entitled to vote.

Although in principle secured creditors are not subject to an approved Reorganization Plan (unless they have expressly voted in its favor), the effects of an approved Reorganization Plan can be extended to secured and privileged creditors if the relevant Reorganization Plan is approved by the following majorities of creditors:

(i) In case the Reorganization Plan includes a write-off (or debt discharges) equal to or less than 50% of the amount of the claims, stays for a period no longer than 5 years or conversion of debt into PPLs also for a period no longer than 5 years, at least 60% of privileged creditors of the same class (by value of their collateral as per the valuation rules that the Spanish Insolvency Act provides for) shall vote in favor; and

(ii) In case the Reorganization Plan includes any other content different from the abovementioned, at least 75% of privileged creditors of the same class according to Article 397.2.2.º of the Spanish Insolvency Act (by value of their collateral as per the valuation rules that the Spanish Insolvency Act provides for) shall vote in favor.

Cramdown effects of Homologated Refinancing Agreements

In order to seek protection against clawback, a refinancing agreement (i.e. an out-of-court workout) may be judicially approved or homologated (*homologado*) by the Commercial Court that will be competent to conduct an eventual insolvency proceeding of the relevant debtor, upon request by the debtor or by any creditor having entered into such refinancing agreement, if:

(A) The refinancing agreement is entered into in the context of a viability plan that allows the continuity of the professional activity of the debtor in the short and medium term;

(B) it entails a significant enlargement of debtor’s credit or a change in the financial structure by either granting a longer term or replacing previous claims with new ones;

(C) it has been subscribed by creditors holding financial liabilities representing, at least, 51% of the debtor’s financial liabilities whether or not subject to financial supervision (excluding from the calculation of such thresholds public creditors, labor creditors and those of commercial transactions) at the date of the refinancing agreement;

(D) the debtor’s auditor issues a certificate acknowledging that the required thresholds have been reached (in the case of a group of companies, the majority refers both individually to each company and to the group as a whole, without the intercompany claims being taken into account); and

(E) the refinancing agreement and the documents substantiating performance of conditions (ii) to (iii) above are formalized in a public instrument.

When such refinancing agreements obtains the court's homologation, it may not be subject to any clawback action, except for cases if fraud under general fraudulent conveyance actions.

As regards the rules to calculate if the required thresholds have been reached, all creditors holding an interest in a syndicated facilities agreement will be deemed to have adhered to the refinancing agreement if it is favorably voted upon by at least 75% of the liabilities thereunder, or a lower majority if the syndicated facilities agreement expressly provides for such lower majority threshold. Whether dissenting lenders have standing to challenge the homologation and whether the crammed down content may fall beyond the statutory one is not clear among Spanish scholars or courts and, therefore, it is not possible yet to ascertain what its practical effects will be.

The following effects of an Homologated Refinancing Agreement may be imposed on (i) dissenting or non- participating unsecured financial creditors, and (ii) on secured financial creditors to the extent of that portion of their secured claim not sufficiently covered by the value of the security interest, as such security interest is to be valued in accordance with the valuation rules set out in the Spanish Insolvency Act (i.e. 90% of the collateral fair value minus senior claims):

(1) If the Homologated Refinancing Agreement is supported by creditors representing at least 60% of the debtor's financial liabilities:

- stays of payments either of principal, interest or any other owed amount may be granted for up to 5 years; or

- the debt converted into PPLs with a tenor up to 5 years.

Further, these effects may be extended to the amount of secured claims of non-participating or dissenting financial creditors in the amount covered by their security interest (valued in accordance with the rules set out under the Spanish Insolvency Act), when the agreement has been entered into by financial creditors holding secured claims which represent at least 65% of the value of all secured claims of the debtor.

(2) If the Homologated Refinancing Agreement is supported by creditors representing at least 75% of the debtor's aggregate financial liabilities:

- a deferral either of principal, interest or any other owed amount for a period of 5 or more years (but not more than 10 years);

- haircuts (note that a cap has not been established);

- capitalization of debt. Nevertheless, those creditors that have not supported such refinancing agreement (either because they did not sign the agreement or because they oppose it) may choose between: (i) the debt-for-equity swap contemplated by the agreement; or (ii) a discharge of their claims equal to the nominal amount (including any share premium) of the shares that would have corresponded to that creditor as a consequence of the relevant debt-for-equity swap;

- conversion of debt into PPLs of up to 10 years, convertible obligations, subordinated loans, payment in kind (PIK) facilities or into any other financial instrument with a ranking, maturity and features different to those of original debt; and

- assignment of assets or rights as payment in kind for total or partial payment of the debt (*datio pro soluto or pro solvendo*).

Further, these effects may be extended to the amount of secured claims of non-participating or dissenting financial creditors in the amount covered by their security interest (valued in accordance with the rules set out under the Spanish Insolvency Act), when the agreement has been entered into by financial creditors holding secured claims which represent at least 80% of the value of all secured claims of the debtor.

According to Royal Decree-Law 16/2020, debtors are entitled to apply for an amendment to the composition agreement under two scenarios:

(a) within twelve months of the declaration of the current State of Alarm (declared March 14, 2020). The amended composition agreement will not affect (i) claims accrued during the period of performance of the original composition agreement and (ii) privileged creditors, unless they vote in favor of or expressly adhere to the amended composition amendment.

(b) within three months after a six-month period following the declaration of the State of Alarm, during which creditors could request a declaration of breach of the composition agreement.

Within the year following the declaration of the State of Alarm:

(a) the debtor is released from its obligation to request the liquidation due to the infringement of a composition agreement, provided that the debtor requests an amendment of the composition agreement; and

(b) a debtor bound by a Homologated Refinancing Agreement is entitled to communicate to the insolvency court that it has initiated negotiations with its creditors to amend the existing refinancing agreement or to reach a new refinancing agreement, even if a year has not elapsed since the previous request.

Liquidation

Failure to obtain the approval of a Reorganization Plan or upon debtor's petition at any time leads to liquidation.

A debtor must file for liquidation after a Reorganization Plan has been approved when it becomes aware of its renovated insolvency situation or its inability to comply with the Reorganization Plan. Liquidation triggers such debtor's dissolution and the Insolvency Administrator stepping into the directors' shoes.

The Insolvency Administrator must prepare a liquidation plan that must be approved by the Insolvency Court. The Insolvency Administrator is required to produce a quarterly report on the liquidation and has one (1) year to complete it. If the liquidation is not completed within one year, the Insolvency Court may appoint a different Insolvency Administrator.

Termination of the insolvency proceedings

Insolvency proceedings can also be terminated at any stage when it is proven that all credits have been paid or that all creditors have been entirely satisfied by other means, or when the situation of insolvency (i.e. the impossibility to face payment obligations regularly) has been overcome.

Finally, it must be noted that Article 473 of the Spanish Insolvency Act foresees the termination of the insolvency proceeding at any time when assets are not enough to pay post-insolvency claims (*créditos contra la masa*) so long as no future clawback actions are envisaged, nor actions claiming liability to third parties, nor the assessment of the proceedings as guilty (*concurso culpable*).

Fraudulent Conveyance Laws

Under Spanish law, in addition to insolvency clawback actions, the Insolvency Administrator and any creditor may bring an action to rescind a contract or agreement (*acción rescisoria pauliana*) against the debtor and the third party that is a party to such contract or agreement, provided that such contract or agreement is performed or entered into fraudulently and the creditor cannot obtain payment of the amounts owed in any other way.

Although case law is not entirely consistent, it is broadly accepted that the following requirements must be met in order for a creditor to bring such action:

- the debtor owes the creditor an amount under a valid contract and the fraudulent action took place after such debt was created;
- the debtor has carried out an act that is detrimental to the creditor and beneficial to the third party;
- such act was fraudulent;
- there is no other legal remedy available to the creditor to obtain compensation for the damages suffered; and
- debtor's insolvency, construed as that situation where there has been a relevant decrease in the debtor's estate making it impossible or more difficult to collect the claim.

The existence of fraud (which must be evidenced by the creditor) is one of the essential requirements under Spanish law for the action to rescind to succeed, as opposed to clawback actions where the subjective component or fraud does not have to be proven.

Pursuant to Article 1,297 of the Spanish Civil Code (*Código Civil*): (i) agreements by virtue of which the debtor transfers assets for no consideration, and (ii) transfers for consideration carried out by parties who have been held liable by a court (*sentencia condenatoria*) or whose assets have been subject to a writ of attachment (*mandamiento de embargo*) will be considered fraudulent. The presumption referred to in (i) above is an irrebuttable presumption, while the presumption indicated in (ii) above is a rebuttable presumption.

If the rescission action were to be upheld, the third party would be liable to return to the debtor the consideration received under the contract in order to satisfy the debt owed to the creditor. Subsequently, the creditor would need to carry out the actions necessary to obtain the amount owed by the debtor. If the consideration received by the third party under the contract cannot be returned to the debtor, the third party must indemnify the creditor for such damages.

Setoff

The Spanish Insolvency Act generally prohibits setoff of the credits and debts of the insolvent debtor once it has been declared insolvent, but such setoff where the requirements in order to operate were met before the declaration of insolvency can still apply. However, setoff may be exercised by a creditor *vis-à-vis* the insolvent debtor if the governing law of the reciprocal credit right of the insolvent company permits it under insolvency scenarios.

England and Wales

Applicable legal framework and jurisdiction of the English courts

While the United Kingdom was a member state of the EU, insolvency processes opened in the United Kingdom were subject to both EU and applicable United Kingdom domestic legislation. Following the United Kingdom's departure from the EU on 31 January 2020 and the expiry of the subsequent transition period (the "**Transition Period**") on 31 December 2020, in accordance with the European Union (Withdrawal) Act 2018 (as amended by the European Union (Withdrawal Agreement) Act 2020) EU law as directly applicable in the United Kingdom at the end of the Transition Period (subject to certain exceptions) was transposed into United Kingdom domestic law subject to significant amendments. The Insolvency (Amendment) (EU Exit) Regulations 2019 (SI 2019/146) (as amended) effected key amendments to both EU insolvency laws previously directly applicable in the United Kingdom, including the Insolvency Regulation 2000 and the Insolvency Regulation, and domestic insolvency laws, including the Insolvency Act, the Insolvency (England and Wales) Rules 2016 (SI 2016/1024) (the "**Insolvency Rules**") and the Cross-Border Insolvency Regulations 2006 (SI 2006/1030) (the "**Cross-Border Insolvency Regulations**").

Unless insolvency proceedings or certain related proceedings were opened prior to the expiry of the Transition Period, in which case the unmodified Insolvency Regulation and related EU insolvency legislation govern the proceedings, insolvency proceedings with respect to the English Guarantors would likely proceed under, and be governed by, English insolvency laws in force at the time of commencement of the relevant proceedings. However, to the extent that an English Guarantor has its COMI in a member state of the EU, insolvency proceedings could, pursuant to the Insolvency Regulation and subject to certain exceptions, be opened in the relevant EU member state and be subject to the laws of that EU member state. In addition, pursuant to the Cross-Border Insolvency Regulations, certain foreign courts may have jurisdiction to oversee insolvency proceedings of any English Guarantor which has its COMI or an "establishment" (being a place of operations where it carries out a non-transitory economic activity with human means and assets or services) in such foreign jurisdiction.

Although the scope of the English courts' jurisdiction varies for the different insolvency proceedings available in England and Wales, English courts generally have jurisdiction to open insolvency proceedings in respect of any company which has its COMI in the United Kingdom or which has its COMI in an EU member state (other than Denmark) and an "establishment" in the United Kingdom. An "establishment" is defined in the same way as under the Insolvency Regulation (see "*European Union*" above). While this allows English courts to assume jurisdiction over certain foreign companies in respect of certain insolvency proceedings, the efficacy of such proceedings will significantly depend on the likelihood and extent of subsequent recognition of such proceedings in relevant other jurisdictions (see "*Cross-border recognition of English insolvency and restructuring proceedings*" below).

Any insolvency proceedings by or against an English Guarantor would likely be based on English insolvency laws. English insolvency law is different to the laws of the United States and other jurisdictions with which investors may be familiar. In the event that an English Guarantor experiences financial difficulty, it is not possible to predict with certainty the outcome of insolvency or similar proceedings.

English insolvency laws and other limitations could limit the enforceability of a Guarantee against an English Guarantor.

The principal sources of English insolvency laws are the Insolvency Act and the Insolvency Rules. In addition, the Companies Act 2006 sets out statutory procedures which can be utilized to effect a compromise, or other arrangement, between a company and its creditors and/or members. Recent reforms to the English insolvency and restructuring regime were introduced by the Corporate Insolvency and Governance Act (the "**CIG Act**"), which came into force on June 26, 2020.

The following is a brief description of certain aspects of English insolvency and restructuring laws relating to certain limitations on the Guarantees granted by the English Guarantors. The application of these laws could adversely affect investors, their ability to enforce their rights under such Guarantees and therefore may limit the amounts that investors may receive in an insolvency of an English Guarantor.

Administration

English insolvency laws empower English courts to make an administration order in respect of an English company in certain circumstances. An administrator can be appointed out of court by the company, its directors or the holder of a qualifying floating charge where the floating charge has become enforceable, and different procedures apply according to the identity of the appointer. Alternatively the court may make an administration order upon an application to the court by the company, its directors or one or more creditors if the court is satisfied that the relevant company is or is likely to become "unable to pay its debts" and that the administration order is reasonably likely to achieve the purpose of administration.

A company is deemed unable to pay its debts if it is insolvent on a "cash flow" basis (unable to pay its debts as they fall due) or if it is insolvent on a "balance sheet" basis (the value of the company's assets is less than the amount of its liabilities, taking into account its contingent and prospective liabilities). Such insolvency is presumed if, among other matters, the company fails either to satisfy a creditor's statutory demand for a debt exceeding £750 for a period of 3 weeks after receipt of the statutory demand at the company's registered office or to satisfy in full or in part a judgment debt (or similar court order).

The purpose of an administration is comprised of three objectives that must be looked at successively: rescuing the company as a going concern or, if that is not reasonably practicable, achieving a better result for the company's creditors as a whole than would be likely upon immediate liquidation or, if neither of those objectives is reasonably practicable, and the interests of the creditors as a whole are not unnecessarily harmed thereby, realizing property to make a distribution to secured or preferential creditors.

During the administration, a statutory moratorium is imposed such that in general no proceedings or other legal process may be commenced or continued against the debtor and no security interest over any of the company's property (save for eligible arrangements under the Financial Collateral Arrangements (No. 2) Regulations 2003 (as amended) (the "**Financial Collateral Regulations**")) may be enforced, except with leave of the court or consent of the administrator (although a demand for payment could be made under a guarantee granted by the company). However, certain creditors of a company in administration may, in certain defined circumstances, be able to realize their security over certain of that company's property notwithstanding the statutory moratorium by virtue of the disapplication of the moratorium in relation to any security interest created or otherwise arising under a "financial collateral arrangement" under the Financial Collateral Regulations.

An administrator is given wide powers to conduct the business of the company to which they are appointed and, subject to certain requirements under the Insolvency Act, dispose of the property of a company in administration (including property subject to a floating charge). A set proportion of the proceeds of the realization of any property subject to a floating charge will need to be set aside for satisfaction of the claims of preferential creditors and the ring-fencing of the Prescribed Part (see "—*Prescribed Part*" below). An administrator may also, with prior approval by the court, deal with assets subject to a fixed charge, provided that disposing of the property is likely to promote the purpose of the administration and the administrator applies the net proceeds from the disposal towards discharging the obligations of the company to the fixed charge holder.

Accordingly, if any of the English Guarantors were to enter into administration, the Notes and the Guarantees may not be enforceable without the permission of the court or consent of the administrator while the relevant company was in administration. There can be no assurance that such permission of the court or consent of the administrator would be obtained.

Qualifying floating charge

If a company grants security constituting a “qualifying floating charge” to a party for the purposes of English insolvency law, that party will be able to appoint an administrator out of court (see “*Administration*” above) or (in limited circumstances) an administrative receiver (see “*Administrative receivership*” below). The holder of a qualifying floating charge is also entitled to advance notice of an intention of a company or its directors to appoint an administrator, allowing the charge holder to either appoint its own administrator (or, where applicable, administrative receiver) in place of the proposed administrator, conduct negotiations with the proposed appointors over the identity or terms of appointment of the proposed administrator or (in an extreme case) prevent the company going into administration.

A floating charge constitutes a qualifying floating charge if it is created by an instrument which (a) states that the relevant statutory provision applies to it, (b) purports to empower the holder to appoint an administrator of the company, or (c) purports to empower the holder to appoint an administrative receiver within the meaning given by Section 29(2) of the Insolvency Act. A party will be the holder of a qualifying floating charge if such floating charge security, together (if necessary) with other forms of security granted to that party, relates to the whole or substantially the whole of the property of the relevant company, and at least one such security interest is a qualifying floating charge. Please note that it is a matter of fact whether the extent of the security granted relates to ‘the whole or substantially the whole’ of the property of a company and there is no statutory guidance as to what percentage of a company’s assets should be charged to satisfy this test.

Administrative receivership

As noted above, administrative receivership as a creditor remedy has been largely abolished and is only available in very limited circumstances. The ability to appoint an administrative receiver only applies to holders of a qualifying floating charge where either the security document granting such charge pre-dates September 15, 2003 or where it falls within one of the exceptions under the Insolvency Act (as amended by the Enterprise Act 2002). The most relevant exception to the prohibition on the appointment of an administrative receiver is the exception relating to “capital market arrangements” (as defined in the Insolvency Act), which may apply if the issue of the Notes) creates a debt of at least £50.0 million for the relevant English company during the life of the arrangement and the arrangement involves the issue of a “capital market investment” (which is defined in the Insolvency Act, and includes rated, listed or traded debt instruments, and debt instruments designed to be rated, listed or traded).

If an administrative receiver has been appointed, an administrator can only be appointed by the court (and not by the company, its directors or the holder of a qualifying floating charge using the out-of-court procedure), and then only if the person who appointed the administrative receiver consents or the court considers that the security pursuant to which the administrative receiver was appointed is capable of challenge as a transaction at an undervalue, a preference (see “—*Transaction at an undervalue*” and “—*Preference*” above, respectively). If an administrator is appointed, any administrative receiver will vacate office.

Fixed charge receivership

A fixed charge receiver (as opposed to an administrative receiver, who is appointed under certain floating charges – see "—*Administrative receivership*" above) may be appointed over some or all of the assets secured by a fixed charge in accordance with the terms of a security document creating a fixed charge or (in limited circumstances) pursuant to statute under the Law of Property Act 1925, although it is standard market practice to augment the powers of any receiver appointed through the relevant security document.

If appointed under the terms of a security agreement, grounds for appointment under the terms of the charge (such as a default) must exist and the charging company must have failed to satisfy the demand made for an appointment to take place. A receivership is not a process pursuant to English insolvency laws as such and a fixed charge receivership can be run in parallel to a liquidation or an administration. However, an administrator may require a fixed charge receiver to vacate office unless that fixed charge receiver was appointed under a charge created or otherwise arising under a "financial collateral arrangement", as per Regulation 8(4) of the Financial Collateral Regulations (see "—*Administration*" above).

The primary duty of a fixed charge receiver is to realise the assets over which (s)he is appointed, meaning (s)he owes an over-riding duty of care to the appointor, although certain limited duties are also owed to the debtor. This contrasts with the duty of an administrator, who performs his/her duties in the interests of a company's creditors as a whole. In other words, receivership is a proprietary remedy whereas administration is a collective procedure. In realizing the charged assets, the receiver will need to take reasonable care to obtain the best price obtainable in the circumstances. In doing so, the fixed charge receiver will be entitled to a statutory indemnity in respect of any liabilities from the realizations made of the assets of the company (and may also have the benefit of a contractual indemnity from the appointor).

To the extent the receiver has been appointed under a crystallized floating charge, amounts will be deducted from the proceeds of the realization of the charged assets to pay the Prescribed Part and any preferential creditors (see "—*Prescribed Part*" below).

Liquidation/winding up

Liquidation is a company dissolution procedure under which the assets of a company are realized and distributed by the liquidator to creditors in the statutory order of priority prescribed by the Insolvency Act (see "—*Priority on insolvency*" below). There are two forms of winding-up: (a) compulsory liquidation, by order of the court; and (b) members' voluntary liquidation or creditors' voluntary liquidation, in each case by resolution of the company's members. The difference between the two voluntary proceedings is the solvency of the company in question; in a members' voluntary liquidation, the directors of the company swear a statutory declaration as to the company's solvency over the following 12 months whereas the primary ground for the creditors' voluntary liquidation of an insolvent company is that it is unable to pay its debts (see "—*Administration*" above). Note that while a creditors' voluntary liquidation (other than as an exit from administration) is initiated by a resolution of the members, not the creditors, once in place the process is subject to some degree of control by the creditors. Whereas compulsory liquidation and creditors' voluntary liquidation proceedings are available to foreign companies with sufficient nexus to the United Kingdom in addition to companies within the English courts' general jurisdiction (see "—*Applicable legal framework and jurisdiction of the English courts*" above), members' voluntary liquidation proceedings are only available to companies registered in England, Wales or Scotland.

The effect of a compulsory winding-up differs in a number of respects from that of a voluntary winding-up. In a compulsory winding-up, under Section 127 of the Insolvency Act any disposition of the relevant company's property made after the commencement of the winding-up is, unless sanctioned by the court, void. However, this will not apply to any property or security interest subject to a disposition or created or otherwise arising under a "financial collateral arrangement" under the Financial Collateral Regulations and will not prevent a close-out netting provision taking effect in accordance with its terms. Subject to certain exceptions, when an order is made for the winding-up of a company by the court, it is deemed to have commenced at the time of the presentation of the winding-up petition. Once a winding-up order is made by the court a stay of all proceedings against the company will be imposed. No action or proceeding may be continued or commenced against the company without leave of the court and subject to such terms as the court may impose although there is no freeze on the enforcement of security.

In the context of a voluntary winding-up, however, there is no equivalent to the retrospective effect of a winding-up order; the winding-up commences on the passing of the resolution to wind up. As a result, there is no equivalent of Section 127 of the Insolvency Act. There is also no automatic stay in the case of a voluntary winding-up—it is for the liquidator, or any creditor or contributory of the company, to apply for a stay to prevent the continuation of legal proceedings and enforcement of security.

A liquidator has the power to bring or defend legal proceedings on behalf of the company, to carry on the business of the company as far as it is necessary for its beneficial winding up, to sell the company's property and execute documents in the name of the company and to challenge antecedent transactions (see "*—Transaction at an undervalue*", "*—Preference*", "*—Transaction defrauding creditors*" and "*—Extortionate credit transaction*" above).

In light of the COVID-19 pandemic, legislation has been introduced which temporarily restricts the ability of creditors to present winding-up petitions and of courts to grant winding-up orders. While these measures remain in place, (a) winding-up petitions on the basis of a company's inability to satisfy statutory demands alone are void if the relevant statutory demands were served between March 1, 2020 and September 30, 2021, and (b) where winding-up petitions are presented between April 27, 2020 and September 30, 2021 based on other grounds, the petitioning creditor must show that it had reasonable grounds to believe that coronavirus has not had a financial effect on the company or that the company's inability to pay its debts would have arisen even if coronavirus had not had such effect on the company. Between April 27, 2020 and September 30, 2021, a court may similarly only grant a winding-up order in circumstances where a company is deemed unable to pay its debts and it appears to the court that coronavirus has had a financial effect on the company before the presentation of the petition if the court is satisfied that the company's insolvency would have arisen even if coronavirus had not had such effect on the company.

Scheme of arrangement

Although not an insolvency proceeding, pursuant to Part 26 of the Companies Act 2006 the English courts have jurisdiction to sanction a scheme of arrangement that effects a compromise of a company's liabilities between a company and its creditors (or any class of its creditors). An English Guarantor may be able to pursue a scheme in respect of its financial liabilities. In addition, a foreign company which (a) is liable to be wound up under the Insolvency Act and (b) has a "sufficient connection" to England and Wales could also pursue a scheme. In practice, a foreign company is likely to satisfy the first limb of this test and the second limb has been found to be satisfied where, amongst other things, the company's COMI is in England, the company's finance documents are English law governed or the company's finance documents have been amended in accordance with their terms to be governed by English law. Ultimately, each case will be considered on its particular facts and circumstances so previous cases will not necessarily determine whether or not any of the grounds of the second limb are satisfied in the present case.

Before the court considers the sanction of a scheme of arrangement, affected creditors will vote on the proposed compromise or arrangement in respect of their claims in a single class or in a number of classes, depending on the rights of such creditors that will be affected by the proposed scheme and any new rights that such creditors are given under the scheme. Such compromise can be proposed by the company or its creditors. If a majority in number representing 75% or more by value of those creditors present and voting at the meeting(s) of each class of creditors vote in favor of the proposed scheme, irrespective of the terms and approval thresholds contained in the finance documents, then that scheme will (subject to the sanction of the court and delivery of the court's order sanctioning the scheme to the Registrar of Companies) be binding on all affected creditors, including those affected creditors who did not participate in the vote and those who voted against the scheme. The scheme then needs to be sanctioned by the court at a sanction hearing where the court will review the fairness of the scheme and consider whether it is reasonable. The court has discretion as to whether to sanction the scheme as approved, make an order conditional upon modifications being made or refuse to sanction the scheme. In exercising its discretion to sanction a scheme of a foreign company, the court will need to be satisfied that the scheme of arrangement would have substantial effect in the jurisdictions in which the company has its main assets or operations – often this is achieved by providing expert evidence that the scheme of arrangement is likely to be recognised in such jurisdictions.

Unlike an administration proceeding, the commencement of a scheme of arrangement does not automatically trigger a moratorium of claims or proceedings.

Restructuring plan

The CIG Act has introduced a new restructuring plan procedure under Part 26A of the Companies Act 2006 which is intended broadly to follow the process for a scheme of arrangement, but with the added possibility of a "cross-class cram-down". A company can propose a restructuring plan to its creditors (and/or its shareholders). Creditors will be divided into classes based on the similarity or otherwise of their rights prior to the restructuring plan and following implementation of the plan. The court must approve the class formation and the convening of restructuring plan meetings. Each class will then vote on whether they approve the plan and provided that sufficient creditors approve the plan and the court considers it a proper exercise of its discretion to sanction the plan, then upon delivery of the court's order sanctioning the plan to the Registrar of Companies the plan will be binding on all creditors regardless of whether they, individually or as a class, approved the plan.

There are two additional conditions a company must meet in order to use a restructuring plan: (a) the company must have encountered or be likely to encounter financial difficulties that are affecting, or will or may affect, its ability to carry on business as a going concern; and (b) a compromise or arrangement must be proposed between the company and its creditors (or any class of them) and the purpose of such compromise or arrangement must be to eliminate, reduce, prevent or mitigate the effect of any of the financial difficulties the company is facing.

Before the court considers the sanction of a restructuring plan, affected creditors will vote on the proposed compromise or arrangement in respect of their claims in a single class or in a number of classes, depending on the rights of such creditors that will be affected by the proposed restructuring plan and any new rights that such creditors are given under the restructuring plan. Creditors whose rights are affected by the compromise or arrangement must be permitted to participate in the meeting and vote on the plan but there is no need to include creditors whose rights are not affected. Furthermore, a court may exclude even a creditor whose rights are affected where it is satisfied that none of the members of that class has a genuine economic interest in the company.

In respect of a consensual restructuring plan (i.e., one where each class votes in favor) to be capable of being sanctioned by the court, 75% in value of creditors present and voting (in person or by proxy) in each class must agree to the compromise or arrangement. In respect of a “cram-down” restructuring plan (i.e., a restructuring plan where there is a dissenting class of creditors, the court may still sanction a plan, provided that (a) the court is satisfied that none of the dissenting classes are any worse off under the plan than they would be in the event of the “relevant alternative” (referred to below); and (b) the plan has been agreed by a number representing 75% or more in value of a class of creditors, present and voting (in person or by proxy) who would receive a payment, or have a genuine economic interest in the company, in the event of the relevant alternative. The relevant alternative is whatever the court considers would be most likely to occur in relation to the company if the compromise or arrangement were not sanctioned by the court.

The restructuring plan must then be sanctioned by the court at a sanction hearing where the court will review whether the applicable statutory conditions have been met and may also consider whether the restructuring plan is just and equitable. The court has discretion as to whether to sanction the restructuring plan as approved, make an order conditional upon modifications being made or refuse to saction the restructuring plan.

Unlike an administration proceeding, the commencement of a restructuring plan does not automatically trigger a moratorium on claims or proceedings.

Company voluntary arrangement

English courts are empowered to oversee company voluntary arrangements in respect of companies within their general jurisdiction and companies incorporated in England, Wales, Scotland or an EEA state or with their respective COMI in the UK or an EU member state (other than Denmark).

Pursuant to Part I of the Insolvency Act, a company (by its directors or its administrator or liquidator, as applicable) may propose a company voluntary arrangement to the company’s shareholders and creditors which entails a compromise, or other arrangement, between the company and its creditors, typically a rescheduling or reducing of the company’s debts. Provided that the proposal is approved by the requisite majority of creditors by way of a decision procedure, it will bind all unsecured creditors who were entitled to vote on the proposal. A company voluntary arrangement cannot affect the right of a secured creditor to enforce its security, except with its consent.

In order for the company voluntary arrangement proposal to be passed, it must be approved by at least 75% (by value) of the company’s creditors who respond in the decision procedure, and no more than 50% (by value) of unconnected creditors may vote against it. Secured debt cannot be voted in a company voluntary arrangement, however, a secured creditor may vote to the extent that its claims are undersecured. A secured creditor who proves in the company voluntary arrangement for the whole of its debt may be deemed to have given up its security.

Unlike an administration proceeding, a company voluntary arrangement does not automatically trigger a moratorium of claims or proceedings.

Priority on insolvency

One of the primary functions of winding-up (and, where the company cannot be rescued as a going concern, one of the possible functions of administration) under English law is to realize the assets of the company in question and distribute the proceeds from those assets to the company’s creditors.

In accordance with the Insolvency Act and the Insolvency (England and Wales) Rules 2016, creditors are placed into different classes, with the proceeds from the realization of the insolvent company's property applied in descending order of priority, as set out below. With the exception of the Prescribed Part (as defined below), distributions generally cannot be made to a class of creditors until the claims of the creditors in a prior ranking class have been paid in full. Unless creditors have agreed otherwise with the company, distributions are made on a pari passu basis, that is, the assets are distributed in proportion to the debts due to each creditor within a class.

Contractual setting-off arrangements entered into after a company enters liquidation or administration are only respected to the extent they fall within the definition of "mutual dealing" as applied by the mandatory insolvency set-off regime. This regime sees an account being taken of what is due from each party to the other in respect of their mutual dealings, and only the resulting net balance is either provable by the creditor in the administration or liquidation of the company (if amounts remain due to the creditor) or, conversely, is payable by the creditor to the company (if amounts remain due to the company).

The general priority on insolvency is as follows (in descending order of priority):

- First ranking: holders of fixed charge security (but only to the extent the value of the secured assets covers that indebtedness);

- Second ranking: expenses of the insolvent estate (there are statutory provisions setting out the order of priority in which expenses are paid);

- Third ranking: ordinary and secondary preferential creditors:

    - ordinary preferential debts include (but are not limited to) debts owed by the insolvent company in relation to: (i) contributions to occupational and state pension schemes; (ii) wages and salaries of employees for work done in the four months before the insolvency date, up to a maximum of £800 per person; and (iii) holiday pay due to any employee whose contract has been terminated, whether the termination takes place before or after the date of insolvency. As between one another, ordinary preferential debts rank equally; and

    - secondary preferential debts rank for payment after the discharge of ordinary preferential debts. Secondary preferential debts include claims by HMRC in respect of certain taxes including VAT, PAYE income tax (including student loan repayments), employee NI contributions and Construction Industry Scheme deductions (but excluding corporation tax and employer NI contributions) which are held by the company on behalf of employees and customers. As between one another, secondary preferential debts rank equally;

- Fourth ranking: holders of floating charge security, according to the priority of their security. This would include any security interest that was stated to be a fixed charge in the document that created it but which, on proper interpretation by the court, was rendered a floating charge. However, before distributing asset realizations to the holders of floating charges, the Prescribed Part (as defined below) must, subject to certain exceptions, be set aside for distribution to unsecured creditors;

- Fifth ranking:

    - firstly, provable debts of unsecured creditors and (to the extent of any unsecured shortfall) secured creditors, in each case including accrued and unpaid interest on those debts up to the date of commencement of the relevant insolvency proceedings. To pay the secured creditors any unsecured shortfall, the insolvency officeholder can only use realizations from unsecured assets as secured creditors are not entitled to any distribution from the Prescribed Part unless the Prescribed Part is sufficient to pay out all unsecured creditors;

  - secondly, interest on the company's debts (at the higher of the applicable contractual rate and the rate determined in accordance with the Judgments Act 1838 (currently 8% per annum)) in respect of any period after the commencement of liquidation, or after the commencement of an administration which has been converted into a distributing administration; and
  - thirdly, non-provable liabilities, being liabilities that do not fall within any of the categories above and therefore are only recovered in the (unusual) event that all categories above are fully repaid; and

- Sixth ranking: shareholders. If, after the repayment of all unsecured creditors in full, any remaining funds exist, these will be distributed to the shareholders of the insolvent company.

Subject to the above order of priority, subordinated creditors are ranked according to the terms of the subordination language in the relevant documentation.

Prescribed Part

An insolvency practitioner of the company (e.g., an administrator or liquidator) will generally be required to ring-fence a certain percentage of the proceeds of enforcement of floating charge security for the benefit of unsecured creditors (after making full provision for preferential creditors and expenses out of floating charge realizations) (the "**Prescribed Part**"). This ring-fence applies to (a) 50% of the first £10,000 of the company's net property and (b) 20% of the remainder of the company's net property over £10,000, with a maximum aggregate cap of £800,000 (except where the company's net property is available to be distributed to the holder of a first-ranking floating charge created before April 6, 2020, in which case the maximum aggregate cap is £600,000). The Prescribed Part must be made available to unsecured creditors unless the cost of doing so would be disproportionate to the resulting benefit to creditors.

Moratoriums

As outlined above, certain of the insolvency processes available in England and Wales provide for the automatic or optional moratorium imposing a period of time during which third parties including creditors are unable to institute or continue legal action against the company, enforce certain rights and/or call upon security or guarantees. Besides the moratorium available to companies undergoing administration (see "*Administration*" above), moratoriums are also available to companies entering liquidation (see "*Liquidation/winding-up*" above).

Restriction on the operation and exercise of ipso facto provisions

Recent changes to the Insolvency Act introduced a restriction on the operation and exercise of ipso facto clauses in order to preserve the continuity of the provision of goods and services to companies undergoing insolvency procedures. In general terms, ipso facto clauses are provisions in supply of goods or services contracts which allow suppliers to terminate the contract or supply or take any other action, or provide for the automatic termination of the contract or supply or the occurrence of any other event, upon the counterparty entering an insolvency procedure. Under the new approach, to the extent that the trigger event is the counterparty's entry into a 'relevant insolvency procedure' (e.g. an administration, administrative receivership, company voluntary arrangement, liquidation and/or a restructuring plan), such clauses will be deemed void and suppliers will be unable to terminate the relevant contracts unless the company or the relevant office-holder consents to the termination or the court grants permission on the basis that it is satisfied that the continuation of the contract would cause the supplier hardship.

The restrictions do not apply to a range of contracts involving financial services or entities involved in the provision of financial services, including contracts for the provision of lending, financial leasing or guarantees, contracts for the purchase, sale or loan of securities or commodities and agreements which are, or form part of, arrangements involving the issue of a capital market investment (as defined in the Insolvency Act).

Cross-border recognition of English insolvency and restructuring proceedings

General position

The recognition of English insolvency and restructuring proceedings in other jurisdictions is governed by applicable treaties in respect of the mutual recognition (or otherwise) of courts' jurisdiction, proceedings and judgments and general principles of private international law such as comity and conflicts of laws rules applicable in the relevant jurisdictions.

One of the key insolvency-related treaties is the UNCITRAL Model Law on Cross-Border Insolvency (the "**Model Law**"), which has been adopted in a number of jurisdictions, including the United States and the United Kingdom, where it was implemented by the Cross-Border Insolvency Regulations. The Model Law provides for recognition of certain United Kingdom insolvency proceedings in other signatory states as either foreign main proceedings (if COMI of the relevant debtor is determined to be in the United Kingdom) or foreign non-main proceedings (if COMI is determined to be in another jurisdiction but the debtor has an establishment in the United Kingdom). The Cross-Border Insolvency Regulations only provide for recognition of proceedings under British insolvency law, which in relation to England and Wales covers proceedings initiated under the Insolvency Act other than receivership proceedings and members' voluntary liquidations, and does not extend to restructuring processes governed by corporate law such as schemes of arrangement.

The recognition of English courts' jurisdiction and orders in respect of schemes of arrangement, which are restructuring rather than insolvency proceedings, will be subject to treaties regarding matters relating to the jurisdiction of courts in civil proceedings and the enforcement of civil judgments such as the Hague Convention on Choice of Court Agreements 2005 (the "**Hague Convention**") and the Lugano Convention 2007 (the "**Lugano Convention**") (subject to the United Kingdom's pending accession to the latter) where these apply. In addition, recognition is still possible under principles of private international law and Regulation (EC) No 593/2008 of the European Parliament and of the Council of 17 June 2008 on the law applicable to contractual obligations ("**Rome I**").

The recognition of English courts' jurisdiction and orders in respect of restructuring plans is a developing area of law. It remains to be seen whether, restructuring plans will fall within the scope of treaties regarding matters relating to the jurisdiction of courts in civil proceedings and the enforcement of civil judgments such as the Hague Convention and the Lugano Convention, or whether they will be treated more akin to insolvency and restructuring proceedings, and fall within related exceptions to such treaties.

Recognition in the EU

Following the United Kingdom's departure from the EU and the expiry of the Transition Period, United Kingdom proceedings no longer benefit from automatic and guaranteed recognition in EU member states. As the trade and cooperation terms agreed between the EU and the United Kingdom do not include a replacement regime for the current automatic recognition of United

Kingdom insolvency procedures across the EU (and vice versa) or otherwise address insolvency matters, cross-border insolvencies involving the United Kingdom and one or more EU member states will be subject to a degree of uncertainty and increased complexity.

Unless or until a mutual recognition agreement is reached in the future, it is likely to be more problematic for United Kingdom restructuring and insolvency proceedings to be recognised in EU member states and for United Kingdom office holders to effectively deal with assets located in EU member states. The general position outlined above will apply and recognition will depend on the private international law rules adopted in the relevant EU member state and the need may well arise to open parallel proceedings, increasing the element of risk as well as costs. In particular in cases where the appointment of a United Kingdom office holder is made in reliance on a United Kingdom domestic approach rather than COMI rules, it is much less certain that such appointment will be recognised in other EU member states. To the extent relevant proceedings are deemed to fall within the remit of contract law, Rome I may offer an additional basis for recognition in EU member states.

As a consequence, the recognition of English insolvency and restructuring proceedings across the EU member states may be different from what investors may have experienced in the past when the United Kingdom was a member state of the EU. It is not possible to predict with certainty if and to what extent proceedings will be recognised and whether investors may be adversely affected as a result.

PLAN OF DISTRIBUTION

Each of the Initial Purchasers, in its capacity as an initial purchaser, pursuant to a purchase agreement, dated July 1, 2021 (the "**Purchase Agreement**"), has agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe and pay for the Notes at the initial purchase price specified therein, less subscription and underwriting fees and certain expenses to be agreed between the Issuer and the Initial Purchasers. The Purchase Agreement entitles the Initial Purchasers to terminate the Purchase Agreement in certain circumstances prior to payment being made to the Issuer.

The Issuer has been advised by the Initial Purchasers that they propose to resell the Notes outside the United States in reliance on Regulation S and in accordance with applicable law.

Pursuant to the Purchase Agreement, each of the Issuer and the Guarantors (upon accession to the Purchase Agreement) has agreed to indemnify the Initial Purchasers against certain liabilities.

The Notes will be issued in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof.

This Offering Memorandum has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States in reliance on Regulation S and for the admission of the Notes to listing on the Official List of the Luxembourg Stock Exchange and the admission of the Notes to trading on the Euro MTF Market. Each of the Issuer and the Initial Purchasers reserve the right to reject any offer to purchase, in whole or in part, for any reason, or to sell less than the principal amount of Notes which may be offered. This Offering Memorandum does not constitute an offer to any person in the United States. Distribution of this Offering Memorandum to any person within the United States is unauthorized and any disclosure of any of its contents to such persons is prohibited.

The Initial Purchasers have advised the Issuer that they presently intend to make a market in the Notes as permitted by applicable laws and regulations. The Initial Purchasers are not obligated, however, to make a market in the Notes and any such market making may be discontinued at any time at the sole discretion of the Initial Purchasers. Accordingly, no assurance can be given as to the liquidity of, or trading markets for, the Notes. See "*Risk Factors—Risks Related to the Notes and the Guarantees—There currently exists no market for the Notes, and we cannot assure you that such an active trading market for the Notes will develop*."

The Notes will initially be offered at the price indicated on the cover page hereof. After the initial offering of the Notes, the offering price and other selling terms of the Notes may from time to time be varied by the Initial Purchasers without notice.

The Issuer has applied to have the Notes listed on the Official List of the Luxembourg Stock Exchange and to admit the Notes to trading on the Euro MTF Market. Neither the Initial Purchasers nor the Issuer can assume that the Notes will be approved for admission to listing and trading, and will remain listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Euro MTF Market.

General

No action has been or will be taken by Elior, the Guarantors or the Initial Purchasers in any jurisdiction by such Initial Purchaser that would permit a public offering of the Notes, or the possession, circulation or distribution of this offering memorandum or any other material relating to the Issuer or the Notes, in any jurisdiction where action for such purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this offering memorandum nor any other offering material or advertisements in connection with the Notes may be distributed or published, in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

Other Relationships

The Initial Purchasers and their affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial investment banking, financial advising, investment management, principal investment, hedging, financing and brokerage activities. The Initial Purchasers or their respective affiliates from time to time have provided in the past and may provide in the future investment banking, financial advisory and commercial banking services to the Issuer and its affiliates in the ordinary course of business for which they have received or may receive customary fees and commissions. In addition, in the ordinary course of their business activities, the Initial Purchasers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its respective affiliates. The Initial Purchasers and their affiliates may receive allocations of the Notes. Certain Initial Purchasers or their affiliates are agents and/or lenders under certain of the Group's existing term loan, indebtedness under which the Issuer intends to repay with the net proceeds of the offering of the Notes. The Initial Purchasers and their respective affiliates may, in the future, act as hedge counterparties to the Issuer consistent with their customary risk management policies. Typically, such Initial Purchasers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes. Any such short positions could adversely affect future trading prices of Notes. The Initial Purchasers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

TRANSFER RESTRICTIONS

You are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of any of the Notes offered hereby.

The Notes have not been and will not be registered under the U.S. Securities Act, or securities laws of any other jurisdiction and, unless so registered, may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable securities laws of any other jurisdiction. Accordingly, the Notes offered hereby are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S.

We use the terms "offshore transaction" and "United States" with the meanings given to them in Regulation S.

You, by your acceptance thereof, will be deemed to have acknowledged, represented to and agreed with the Issuer, the Guarantors and the Initial Purchasers as follows:

1. You understand that the Notes are being offered for resale in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act, that the Notes have not been and will not be registered under the U.S. Securities Act and that (i) if in the future you decide to offer, resell, pledge or otherwise transfer any of the Notes, such Notes may be offered, resold, pledged or otherwise transferred only (a) outside the United States in a transaction complying with Regulation S or (b) in compliance with the registration requirements of the U.S. Securities Act or pursuant to an exemption therefrom or in any transaction not subject thereto, and in each case in compliance with the conditions for transfer set out in paragraph (5) below and in accordance with any applicable securities laws of any state of the United States, and that (ii) you will, and each subsequent holder is required to, notify any subsequent purchaser of the Notes from you of the resale restrictions referred to in (i) above.

2. You are purchasing the Notes outside the United States in an offshore transaction in accordance with Regulation S.

3. You acknowledge that neither we nor the Initial Purchasers, nor any person representing us or the Initial Purchasers, has made any representation to you with respect to the offer or sale of any Notes, other than the information contained in this Offering Memorandum, such Offering Memorandum having been delivered to you and upon which you are relying in making your investment decision with respect to the Notes. You acknowledge that neither the Initial Purchasers nor any person representing the Initial Purchasers makes any representation or warranty as to the accuracy or completeness of this Offering Memorandum.

4. You are purchasing the Notes for your own account, or for one or more investor accounts for which you are acting as a fiduciary or agent, in each case for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the U.S. Securities Act or any state securities laws, subject to any requirement of law that the disposition of your property or the property of such investor account or accounts be at all times within your or their control and subject to your or their ability to resell such Notes pursuant to Regulation S or any other exemption from registration available under the U.S. Securities Act.

5. You agree on your own behalf and on behalf of any investor account for which you are purchasing the Notes, and each subsequent holder of the Notes by the acceptance thereof will be deemed to agree, to offer, sell or otherwise transfer such Notes only (i) to the Issuer or any subsidiary thereof, (ii) pursuant to a registration statement that has been declared effective under the U.S. Securities Act, an exemption from the registration requirements of the U.S. Securities Act or in any transaction not subject thereto, (iii) pursuant to offers and sales that occur outside the United States in compliance with Regulation S or (iv) pursuant to any other available exemption from the registration requirements of the U.S. Securities Act, subject in each of the foregoing cases to any requirement of law that the disposition of your property or the property of such investor account or accounts be at all times within your or their control and in compliance with any applicable state securities laws, and any applicable local laws and regulations, and further subject to our and the Trustee's rights prior to any such offer, sale or transfer, to require that a certificate of transfer in the form appearing in the Indenture is completed and delivered by the transferor to the Trustee.

6. If you are in the European Economic Area, you are not a retail investor, where the expression "retail investor" means a person who is one (or more) of the following: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of the IDD, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation.

7. If you are in the United Kingdom, you are not a retail investor, where the expression "retail investor" means a person who is one (or more) of the following: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made thereunder to implement the IDD, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in the UK Prospectus Regulation.

8. Each purchaser acknowledges that each Note will contain a legend substantially to the following effect:

THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT.

THE HOLDER OF THIS SECURITY, BY ITS ACCEPTANCE HEREOF, AGREES ON ITS BEHALF AND ON BEHALF OF ANY INVESTOR FOR WHICH IT HAS PURCHASED SECURITIES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY ONLY (A) TO THE ISSUER, OR ANY SUBSIDIARY THEREOF, (B) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE U.S. SECURITIES ACT, AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT OR IN ANY

TRANSACTION NOT SUBJECT THERETO (C) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE U.S. SECURITIES ACT, OR (D) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT, SUBJECT IN EACH OF THE FOREGOING CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF ITS PROPERTY OR THE PROPERTY OF SUCH INVESTOR ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, AND ANY APPLICABLE LOCAL LAWS AND REGULATIONS, AND FURTHER SUBJECT TO THE ISSUER'S AND THE TRUSTEE'S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSE (D) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM.

A purchaser of Notes will also be deemed to acknowledge that the foregoing restrictions apply to holders of beneficial interests in these Notes as well as to holders of these Notes.

9. You agree that you will give to each person to whom you transfer the Notes notice of any restrictions on the transfer of such Notes.

10. You acknowledge that we, the Initial Purchasers and others will rely upon the truth and accuracy of your acknowledgements, representations, warranties and agreements and agree that if any of the acknowledgements, representations, warranties and agreements deemed to have been made by your purchase of the Notes are no longer accurate, you shall promptly notify the Initial Purchasers. If you are acquiring any Notes as a fiduciary or agent for one or more investor accounts, you represent that you have sole investment discretion with respect to each such investor account and that you have full power to make the foregoing acknowledgements, representations and agreements on behalf of each such investor account.

LEGAL MATTERS

Certain legal matters in connection with the Offering will be passed upon for us by Latham & Watkins AARPI as to matters of French, U.S. federal and New York state law, by Latham & Watkins (London) LLP as to matters of Italian and English law, by Latham & Watkins LLP as to matters of Spanish law and by Studio Pirola Pennuto Zei & Associati as to matters of Italian tax law. Certain legal matters in connection with the Offering will be passed upon for the Initial Purchasers by Shearman & Sterling LLP as to matters of U.S. federal, New York state and French law.

INDEPENDENT AUDITORS

The Audited Consolidated Financial Statements of the Issuer as of and for the years ended September 30, 2018, 2019 and 2020, an English translation of which is incorporated by reference into this Offering Memorandum have been prepared in accordance with IFRS and have been audited by KPMG S.A. and PricewaterhouseCoopers Audit for the years ended September 30, 2018 and 2019 and by Deloitte & Associés and PricewaterhouseCoopers Audit for the year ended September 30, 2020, each as independent auditors, as stated in their respective audit reports.

SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

France

Each of the Issuer and certain of the Guarantors is organized under the laws of France with its registered offices or principal places of business in France (the "**French Entities**"). Most of the directors, officers and other executives of the French Entities are neither residents nor citizens of the United States (the "**French Individuals**"). Furthermore, most of the assets of the French Entities and/or the French Individuals are located outside the United States. As a result, it may not be possible for investors to effect service of process upon such persons and entities, or to enforce against them judgments of U.S. courts predicated upon the civil liability provisions of U.S. federal or state securities laws within the United States. However, it may be possible for investors to effect service of process within France upon those persons or entities, provided that The Hague Convention on the Service Abroad of Judicial and Extrajudicial Documents in Civil or Commercial Matters of November 15, 1965 is complied with.

The following is a summary of certain legal aspects of French law regarding the enforcement of civil law claims connected with the Notes or the Guarantees against the French Entities and/or French Individuals.

The United States and France are not parties to a treaty providing for the reciprocal recognition and enforcement of judgments, other than arbitral awards rendered in civil and commercial matters. Accordingly, a judgment rendered by any U.S. federal or state court based on civil liability, whether or not predicated solely upon U.S. federal or state securities laws, would not directly be recognized or enforceable in France.

A party in whose favor such judgment was rendered could initiate enforcement proceedings (*exequatur*) in France before the relevant civil court (*Tribunal de Judiciaire*) that has exclusive jurisdiction over such matter.

Enforcement in France of such U.S. judgment could be obtained following proper (i.e., *non ex parte*) proceedings if such U.S. Judgment is enforceable in the United States and if the French civil court is satisfied that the following conditions have been met (which conditions, under prevailing French case law, do not include a review by the French civil court of the merits of the foreign judgment):

- such U.S. judgment was rendered by a court having jurisdiction over the matter because the dispute is clearly connected to the jurisdiction of such court, the choice of the U.S. court was not fraudulent and the French courts did not have exclusive jurisdiction over the matter;

- such U.S. judgment does not contravene French international public policy rules, both pertaining to the merits and to the procedure of the case, including fair trial rights;

- such U.S. judgment is not tainted with fraud under French law.

In addition to these conditions, it is well established that only final and binding foreign judicial decisions (i.e., those having a *res judicata* effect) can benefit from an exequatur under French law, that such U.S. judgment should not conflict with a French judgment or a foreign judgment that has become effective in France, and there is no proceedings pending before French courts at the time enforcement of the U.S. judgment is sought and having the same or similar subject matter as such U.S. judgment.

If the French civil court is satisfied that such conditions are met, the U.S. judgment will benefit from the *res judicata* effect as of the date of the decision of the French civil court and will thus be declared enforceable in France. However, the decision granting the exequatur is subject to appeal.

In addition, the discovery process under actions filed in the United States could be adversely affected under certain circumstances by French law No. 68 678 of July 26, 1968, as modified by French law No. 80 538 of July 16, 1980 and French Ordinance No. 2000 916 of September 19, 2000 (relating to the communication of documents and information of an economic, commercial, industrial, financial or technical nature to foreign authorities or persons), which could prohibit or restrict obtaining evidence in France or from French persons in connection with a judicial or administrative U.S. action. Pursuant to the regulations above, the U.S. authorities would have to comply with international (the 1970 Hague Convention on the Taking of Evidence Abroad) or French procedural rules to obtain evidence in France or from French persons.

Similarly, European and French data protection rules (including Regulation (EU) 2016/679 of the European Parliament and of the Council of April 27, 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data and French law No. 78 17 of January 6, 1978 on data processing, data files and individual liberties, as modified) can limit under certain circumstances the possibility of obtaining information in France or from French persons in connection with a judicial or administrative U.S. action in a discovery context.

Furthermore, if an original action is brought in France, French courts may refuse to apply foreign law designated by the applicable French rules of conflict (including the law chosen by the parties to govern their contract) if the application of such law (in the case at hand) is deemed to contravene (i) French international public policy or applicable overriding mandatory rules (as determined on a case by case basis by French courts). Furthermore, in an action brought in France on the basis of U.S. federal or state securities laws, French courts may not have the requisite power to grant all the remedies sought.

Pursuant to Article 14 of the French Civil Code, a French national (either a company or an individual) can sue a foreign defendant before French courts in connection with the performance of obligations contracted by the foreign defendant in France with a French person or in a foreign country with a French person. Pursuant to Article 15 of the French Civil Code, a French national can be sued by a foreign claimant before French courts in connection with the performance of obligations contracted by the French national in a foreign country with the foreign claimant (Article 15). For a long time, case law has interpreted these provisions as meaning that a French national, either claimant or defendant, could not be forced against its will to appear before a jurisdiction other than French courts. However, according to case law, the French courts' jurisdiction over French nationals is not mandatory to the extent an action has been commenced before a court in a jurisdiction that has sufficient contacts with the dispute and the choice of jurisdiction is not fraudulent. In addition, a French national may waive its rights to benefit from the provisions of Articles 14 and 15 of the French Civil Code, including by way of conduct by voluntarily appearing before the foreign court.

It must be noted that under Regulation (EU) No. 1215/2012 of the European Parliament and of the Council of December 12, 2012, as regards legal actions falling within the scope of said Regulation, the privileges granted to French nationals pursuant to Articles 14 and 15 of the French Civil Code may not be invoked against a person domiciled in an EU Member State. Conversely, pursuant to Article 6.2 of Regulation (EU) No. 1215/2012, the privilege granted by Article 14 of the French Civil Code may be invoked by a claimant domiciled in France, regardless of the claimant's nationality, to sue before French courts a defendant domiciled outside the EU.

There are diverging positions amongst the chambers of the French Supreme Court (*Cour de Cassation*) regarding the validity of a contractual provision submitting one party to the exclusive jurisdiction of a court and giving another party the discretionary option to choose any competent jurisdiction. On the one hand, further to several decisions—the most recent dated October 3, 2018—the first civil chamber of the *Cour de Cassation* seems to consider that, unless the competent courts can be identified by reference to objective elements or jurisdiction rules in force in a Member State, unilateral jurisdiction clauses do not comply with the objective of foreseeability set out in the international instruments applicable in these cases and are therefore invalid. On the other hand, the Commercial Chamber of the *Cour de Cassation* has held that a unilateral jurisdiction clause is valid, by a decision rendered on May 11, 2017. Accordingly, any provisions to the same effect in any relevant documents may not be binding on the party submitted to the exclusive jurisdiction of the court.

Italy

Elior Ristorazione S.p.A. is organized under the laws of the Republic of Italy (the "**Italian Guarantor**"). All of the directors and executive officers of the Italian Guarantor reside outside the United States. In addition, all or a substantial portion of the assets of these persons and the Italian Guarantor are located outside the United States. As a result, it may not be possible for investors to effect service of process upon such persons and the Italian Guarantor, or to enforce against them judgments of U.S. courts predicated upon the civil liability provisions of U.S. federal or state securities laws within the United States.

The following is a summary of certain legal aspects of Italian law regarding the enforcement of civil law claims connected with the Notes or the Guarantee against the Italian Guarantor and/or Italian individuals.

Recognition and enforcement in the Republic of Italy of final judgments rendered by U.S. courts, including judgments obtained in actions predicated upon the civil liability provisions of the U.S. federal or state securities laws, may not require retrial and will be enforceable in Italy, provided that, pursuant to Article 64 of Italian Law No. 218 of May 31,1995 (*Riforma del sistema italiano di diritto internazionale privato*), among others, the following conditions are met:

- the U.S. court which rendered the final judgment had jurisdiction upon the relevant matter according to Italian law principles of jurisdiction;
- the relevant summons and complaint was appropriately served on the defendants in accordance with
- U.S. law and during the proceedings no fundamental right of the defendant was violated;
- the parties to the proceeding appeared before the court in accordance with U.S. law or, in the event of a party's failure to appear before the court, the U.S. court declared such default in accordance with U.S. law;
- the judgment is final and is not subject to any further appeal in accordance with U.S. law;
- there is no conflicting final judgment rendered by an Italian court;
- there is no action pending in Italy among the same parties for decision on the same matter which commenced prior to the action in the United States; and
- the provisions of such judgment would not violate Italian public policy (*ordine pubblico*).

In addition, pursuant to Article 67 of Italian Law No. 218 of May 31,1995, if a judgment rendered by a U.S. court is not complied with, its recognition is challenged or its compulsory enforcement is necessary, then a proceeding shall be initiated before the competent Court of Appeal (*Corte d'Appello*) in the Republic of Italy to that end. The competent Court of Appeal does not consider the merits of the case but exclusively ascertains the fulfillment of all the conditions set out above.

In original actions brought before Italian courts, the enforceability of liabilities or remedies based solely on the U.S. federal securities law is debatable. In addition, in original actions brought before Italian courts, Italian courts may apply not only Italian rules of civil procedure, but also certain substantive provisions of Italian law that are regarded as mandatory, and may refuse to apply U.S. law provisions or grant some of the remedies sought *(e.g.,* punitive damages) if their application violates any Italian public policies and/or any mandatory provisions of Italian law.

Spain

Certain of the Guarantors are organized under the laws of Spain (the "**Spanish Guarantors**"). All of the directors and executive officers of the Spanish Guarantors reside outside the United States. In addition, all or a substantial portion of the assets of these persons and the Spanish Guarantors are located outside the United States. As a result, it may not be possible for you to serve process on such persons or the Spanish Guarantors in the United States or to enforce judgments obtained in U.S. courts against them based on civil liability provisions of the securities laws of the United States.

A final judgment obtained against the Spanish Guarantors or their related individuals outside of Spain (and, in particular, in the United States), other than a country bound by the provisions of EU Regulation 1215/2012 of the European Parliament and of the Council, would be recognized and enforced by the courts of Spain (unless such judgment contravenes principles of Spanish public policy) pursuant to the following regimes:

- according to the provisions of any applicable treaty (there being none currently in existence between Spain and the United States for these purposes);

- in the absence of any such treaty, the judgment would be enforced in Spain if it satisfies all of the following requirements in compliance with and subject to Article 523 of the Spanish Civil Procedure Act (*Ley 1/2000, de 7 de enero de Enjuiciamiento Civil*) and subject to Act 29/2015, of July 30, on International Legal Cooperation in Civil Matters (*Ley 29/2015, de 30 de julio, de Cooperación Jurídica Internacional en materia civil*) (the "**Act on International Legal Cooperation in Civil Matters**"):

    - such U.S. judgment is final and conclusive (*firme*);

    - such U.S. judgment was rendered by a court having jurisdiction over the matter since the dispute is clearly connected to the United States and the choice of the court is not fraudulent;

    - such U.S. judgment does not contravene Spanish public policy rules (*orden público*) or mandatory provisions, and the obligation to be fulfilled is legal in Spain;

    - the documentation prepared for the purposes of requesting the enforcement is accompanied by a literal, authentic, sworn Spanish translation;

    - the copy of the judgment presented before the Spanish Court is duly apostilled;

- there is not a pending previous proceedings between the same parties and in relation to the same issues in Spain;

- there is no material contradiction or incompatibility of such U.S. judgment with a judgment rendered or judicial proceedings outstanding in Spain, or a judgment previously rendered in another country when this last judgment meets the requirements to be eventually recognized in Spain;

- where rendering the judgment, the courts rendering it did not infringe an exclusive ground of jurisdiction provided for under Spanish law or based their jurisdiction on exorbitant grounds and the choice of court is not fraudulent;

- the rights of defense of the defendant were protected where rendering the judgment, including, but not limited to, a proper service of process carried out with sufficient time for the defendant to prepare its defense and the U.S. judgment was not rendered by default (i.e. without appearance or without the possibility to appear for the defendant); and

- although reciprocity is not a legal requirement, if it were proven that the U.S. jurisdiction in which the judgment was obtained does not recognize judgments issued by Spanish courts on a general basis, then the Spanish courts could be compelled to deny the recognition of the U.S. judgment in Spain.

It is important to note that Act on International Legal Cooperation in Civil Matters expressly prohibits that a foreign judgment is reviewed as to its substance (*revision del fondo*) by the Spanish competent court.

The United States and Spain are not party to any treaty providing for reciprocal recognition and enforcement of judgments, other than arbitral awards rendered in civil and commercial matters. Accordingly, any party wishing to have a U.S. ruling recognized or enforced in Spain must file an application seeking declaration of enforceability of the U.S. resolution (*exequatur*) with the relevant Spanish Court of First Instance (*Juzgado de Primera Instancia*) or Commercial Court (*Juzgado de lo Mercantil*).

The Spanish courts may express any such order in a currency other than euro in respect of the amount due and payable by the Spanish Guarantors, but in case of enforcement in Spain, the court costs (*costas judiciales*) and interest will be paid in euros. Any judgment obtained against the Spanish Guarantors in any country bound by the provisions of EU Regulation 1215/2012 of the European Parliament and of the Council would be recognized and enforced in accordance with the terms set forth thereby.

The enforcement of any judgment in Spain entails, among others, the following actions and costs:

- translation fees for documents in a language other than Spanish, which must be accompanied by a sworn translation into Spanish (translator’s fees will be payable);

- certain professional fees for the verification of the legal representative of a party litigating in Spain, (if needed);

- payment of certain court costs and fees;

- the procedural acts of a party litigating in Spain must be directed by an attorney at law and the party must be represented by a court agent (*procurador*); and

- the contents and validity of foreign law must be evidenced to the Spanish courts.

Moreover, please note that Spanish civil proceedings rules cannot be amended by agreement of the parties and will, therefore, prevail notwithstanding any provision to the contrary in the Notes.

Notwithstanding the parties' choice of foreign jurisdiction, the Spanish courts may in certain circumstances, including where considerations of Spanish public policy require it, take jurisdiction or grant ancillary relief in relation to proceedings commenced in a foreign court (including the chosen court).

If an original action is brought in Spain, Spanish courts may refuse to apply the designated law if its application contravenes Spanish public policy. Pursuant to Article 54 of the current Spanish Civil Procedure Act (*Ley 1/2000, de 7 de enero, de Enjuiciamiento Civil*), the parties to an agreement are entitled to clearly agree on their submission to a particular judge (*juzgado*) or court (*tribunal*) provided that, under the Spanish Civil Procedure Act and the Spanish Judicial Act (*Ley 6/1985, de 1 de Julio, Orgánica del Poder Judicial*), the relevant judge or court is competent to solve the relevant dispute); therefore such article does not cover the validity of non-exclusive jurisdiction clauses, at least for conflicts between different Spanish courts.

England

Certain of the Guarantors are organized under the laws of England. We have been advised by Latham & Watkins (London) LLP, our English counsel, that the United States and England currently do not have a treaty providing for the reciprocal recognition and enforcement of judgments (as opposed to arbitration awards) in civil and commercial matters.

Consequently, a final judgment for payment rendered by any federal or state court in the United States based on civil liability, whether or not predicated solely upon U.S. federal securities laws, would not automatically be recognized or enforceable in England. In order to enforce any such U.S. judgment in England, proceedings must first be initiated before a court of competent jurisdiction in England. In such an action, the English court would not generally reinvestigate the merits of the original matter decided by the U.S. court (subject to what is described below) and it would usually be possible to obtain summary judgment on such a claim (assuming that there is no good defense to it).

Recognition and enforcement of a U.S. judgment by an English court in such an action is conditional upon (among other things) the following:

- the U.S. court having had jurisdiction over the original proceedings according to English conflicts of laws principles and rules of English private international law;
- the U.S. judgment not having been given in breach of a jurisdiction or arbitration clause;
- the U.S. judgment being final and conclusive on the merits in the sense of being final and unalterable inthe court which pronounced it and being for a definite sum of money;
- the U.S. judgment not contravening English public policy or the Human Rights Act 1998;
- the U.S. judgment not being for a sum payable in respect of taxes, or other charges of a like nature, orin respect of a penalty or fine, or otherwise involving the enforcement of a non-English penal or revenue law;

- the U.S. judgment not being contrary to the Protection of Trading Interests Act 1980;
- the U.S. judgment not having been obtained by fraud or in breach of English principles of natural justice;
- there not having been a prior inconsistent decision of an English court in respect of the same matter involving the same parties; and
- the English enforcement proceedings being commenced within the relevant limitation period.

If an English court gives judgment for the sum payable under a U.S. judgment, the English judgment will be enforceable by methods generally available for this purpose. The judgment creditor is able to utilize any method or methods of enforcement available to him/her at the time. In addition, it may not be possible to obtain an English judgment or to enforce that judgment if the judgment debtor is subject to any insolvency or similar proceedings, if the judgment debtor has any set-off or counter-claim against the judgment creditor or if an appeal is pending or anticipated against the judgment or against the foreign judgment.

Subject to the foregoing, investors may be able to enforce in England judgments in civil and commercial matters that have been obtained from U.S. federal or state courts. However, we cannot assure you that those judgments will be recognized or enforceable in England. In addition, it is questionable whether an English court would accept jurisdiction and impose civil liability if the original action was commenced in England, instead of the United States, and predicated solely upon U.S. federal securities laws. Further, it may not be possible to obtain a judgment in England or to enforce the judgment if the judgment debtor is subject to any insolvency or similar proceedings, of if the judgment debtor has any setoff or counterclaim against the judgment creditor. Finally, in any enforcement proceedings, the judgment debtor may raise any counterclaim that could have been brought ifthe action had been originally brought in England unless the subject of the counterclaim was in issue and denied in the U.S. proceedings.

LISTING AND GENERAL INFORMATION

Admission to Trading and Listing

Application will be made for the Notes to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange, in accordance with the rules and regulations of the Luxembourg Stock Exchange.

Luxembourg Listing Information

For so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange and the rules and regulations of the Luxembourg Stock Exchange so require, copies of the following documents in English may be inspected and obtained free of charge at the offices of the Issuer during normal business hours on any weekday (excluding holidays):

- the organizational documents of the Issuer and each of the Guarantors;
- the bylaws of the Issuer and each of the Guarantors;
- the financial statements included in or incorporated by reference to this Offering Memorandum;
- any annual and interim condensed consolidated financial statements or accounts of the Issuer dated subsequent to the date of this Offering Memorandum, to the extent available; and
- the Indenture (including the Guarantees).

It is expected that the approval (*visa*) in connection with the listing of the Notes on the Official List of the Luxembourg Stock Exchange and the admission of the Notes to trading on the Euro MTF Market will be granted by the Luxembourg Stock Exchange promptly after the issuance of the Notes.

The Issuer has appointed Elavon Financial Services DAC as Registrar, Paying Agent and Transfer Agent, and U.S. Bank Trustees Limited as Trustee. The Issuer reserves the right to vary such appointments in accordance with the terms of the Indenture and, if so required by the internal rules and regulations of the Luxembourg Stock Exchange, will publish a notice of such change of appointment in a newspaper having general circulation in Luxembourg (which is expected to be the *Luxembourg Wort*) or on the official website of the Luxembourg Stock Exchange (*www.bourse.lu*) or by any other means considered equivalent by the Luxembourg Stock Exchange.

The Issuer accepts responsibility for the information contained in this Offering Memorandum. To the Issuer's best knowledge, except as otherwise noted, the information contained in this Offering Memorandum is in accordance with the facts and does not omit anything likely to affect the import of this Offering Memorandum. This Offering Memorandum may only be used for the purposes for which it has been published.

Clearing Information

Application has been made for the Notes sold pursuant to Regulation S to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange.

The Notes have been accepted for clearance through the facilities of Clearstream and Euroclear under common code. The international securities identification number (“**ISIN**”) for the Notes is XS2360381730 and the common code is 236038173.

Legal Information

The Issuer

Elior Group S.A. was established July 8, 1996 as a *société par actions simplifiée* incorporated under the laws of the Republic of France for a term of ninety-nine years from the date of its registration with the Nanterre Companies Registry (*Registre du Commerce et des Sociétés de Nanterre*), expiring on July 8, 2095 unless said term is extended or the Company is wound up in advance. The Issuer became a French joint stock corporation (*société anonyme*) on June 11, 2014 upon its admission to trade its shares on the Euronext Paris. Its registered office is located at 9-11 allée de l’Arche, 92032 Paris La Défense, France. It is registered in France under the registration number 408 168 003 R.C.S. Nanterre, France and its legal entity identifier (LEI) is 969500LYSYS0E800SQ95. As of March 31, 2021, the share capital of the Issuer (which has been paid up in full) amounted to €1,741,478 divided into 174,147,823 shares, all of the same class. All shares have a par value of €0.01.

The Notes have been authorized pursuant to a resolution of the Board of Directors of the Issuer taken on June 24, 2021.

The Guarantors

The following sets forth certain information regarding the Guarantors:

Name	Jurisdiction of Organization	Registered Office	Registration number
On or about the Issue Date:			
Elior Participations S.C.A.	France	9-11 allée de l’Arche, 92032 Paris La Défense, France	380 543 678 R.C.S. Nanterre
No later than October 31, 2021:			
Elior Entreprises	France	9-11 allée de l’Arche, 92032 Paris La Défense, France	413 901 760 R.C.S. Nanterre
Resapro	France	9-11 allée de l’Arche, 92032 Paris La Défense, France	384 545 828 R.C.S. Nanterre
Elior Services Propreté et Santé	France	9-11 allée de l’Arche, 92032 Paris La Défense, France	303 409 593 R.C.S. Nanterre
Centre d’expertises Elior RC France	France	9-11 allée de l’Arche, 92032 Paris La	830 735 056 R.C.S. Nanterre

		Défense, France	
Arpege	France	9-11 allée de l'Arche, 92032 Paris La Défense, France	312 147 770 R.C.S. Nanterre
Ansamble	France	Allée Gabriel Lippmann Pibs, 56000 Vannes, France	334 159 472 R.C.S. Vannes
Elres	France	9-11 allée de l'Arche, 92032 Paris La Défense, France	662 025 196 R.C.S. Nanterre
Elior Data RC France	France	9-11 allée de l'Arche, 92032 Paris La Défense, France	820 174 068 R.C.S. Nanterre
Services et Santé	France	9-11 allée de l'Arche, 92032 Paris La Défense, France	348 415 506 R.C.S. Nanterre
Alsacienne de restauration SAS	France	ZI des Grandes BP 89, 74150 Rumilly	312 479 266 R.C.S. Annecy
Elior Services FM	France	1, boulevard du Général Delambre, 95870 Bezons	391 322 831 R.C.S. Pontoise
Elior F.A.3.C.	France	9-11 allée de l'Arche, 92032 Paris La Défense, France	413 913 799 R.C.S.
Bercy Services I – BSI	France	9-11 allée de l'Arche, 92032 Paris La Défense, France	413 900 648 R.C.S. Nanterre
Elior Gestion	France	9-11 allée de l'Arche, 92032 Paris La Défense, France	384 548 525 R.C.S. Nanterre
Elior Restauration Approvisionnements	France	9-11 allée de l'Arche, 92032 Paris La Défense, France	524 959 426 R.C.S. Nanterre
Société Européenne de Bars Restaurants - Eurobar	France	9-11 allée de l'Arche, 92032 Paris La Défense, France	712 023 209 R.C.S. Nanterre

Elior Restauration et Services	France	9-11 allée de l'Arche, 92032 Paris La Défense, France	380 543 819 R.C.S. Nanterre
Elior Data	France	9-11 allée de l'Arche, 92032 Paris La Défense, France	398 601 948 R.C.S. Nanterre
Elior RC France	France	9-11 allée de l'Arche, 92032 Paris La Défense, France	750 433 930 R.C.S. Nanterre
Serunion S.A.U.	Spain	Calle Esteban Terradas, 8, 28914 Leganés Madrid, Spain	A59376574
Excellent Market S.L.U.	Spain	Carretera de Esplugues, 225, 08940 Cornellá de Llobregat, Barcelona	B17067620
Serunion Vending S.A.U.	Spain	Carretera de Esplugues, 225, 08940 Cornellá de Llobregat, Barcelona	A60602349
Elior Ristorazione S.p.A.	Italy	Via Privata Venezia Giulia, 5/A 20157 Milan Italy	08746440018 Milan-Monza-Brianza-Lodi
Lexington Catering Limited	England	The Courtyard, Catherine Street, Macclesfield, Cheshire, SK11 6ET	UK Companies House No. 03428444
Taylor Shaw Limited	England	The Courtyard, Catherine Street, Macclesfield, Cheshire, SK11 6ET	UK Companies House No. 06576188
Elior UK PLC	England	The Courtyard, Catherine Street, Macclesfield, Cheshire, SK11 6ET	UK Companies House No. 01106729
Edwards and Blake Limited	England	The Courtyard, Catherine Street, Macclesfield,	UK Companies House No. 03461947

Cheshire,
SK11 6ET

The grant of the Guarantee by Elior Participations S.C.A. has been authorized by the manager (*gérant*) of Elior Participations S.C.A. and the grant of the Guarantee of each of the Post Issue Date Guarantors will be authorized by its president, board of directors or supervisory body on or prior to the date on which the relevant Guarantee is granted.

General

Except as disclosed in this Offering Memorandum:

- there has been no material adverse change in the Issuer's financial position or prospects since March 31, 2021; and
- neither the Issuer nor any of its subsidiaries has been involved in any litigation, administrative proceedings or arbitration relating to claims or amounts which are material in the context of the issuance of the Notes except as otherwise disclosed in this Offering Memorandum, and, so far as the Issuer is aware, no such proceedings are pending or threatened.

REGISTERED OFFICE OF THE ISSUER

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