



BNP PARIBAS



Brooklyn Investment Limited
94 Solaris Avenue,
Camana Bay,
PO Box 1348
Grand Cayman KY1-1108,
Cayman Islands

Attention: The Directors

6 December 2020

Dear Sirs

Project Brooklyn – Commitment Letter

You have advised BNP Paribas and Standard Chartered Bank (Hong Kong) Limited (the "**Underwriters**") that you (the "**Company**"), a new entity formed under the laws of the Cayman Islands, propose to undertake the Restructuring (as defined in the term sheet attached hereto as Exhibit A (the "**Term Sheet**")). The senior debt facilities (the "**Facilities**") will consist of a HK\$1,800,000,000 term loan facility (the "**Facility A**") and a HK\$200,000,000 revolving credit facility (the "**RCF**"). Each Underwriter hereby agrees to underwrite and fund the following percentages of the full amount of each of the Facilities set opposite its name below:

Underwriter	Facility A	RCF
BNP Paribas:.....	33 ¹ / ₃ %	33 ¹ / ₃ %
Standard Chartered Bank (Hong Kong) Limited:.....	66 ² / ₃ %	66 ² / ₃ %
<u>Total:</u>	<u>100%</u>	<u>100%</u>

on the terms and conditions in this letter (including the Term Sheet), the syndication letter (the "**Syndication Letter**"), the conditions precedent satisfaction letter (the "**CP Satisfaction Letter**") and any fee letter (each a "**Fee Letter**"), in each case, from any one or more of Commitment Parties (as defined below) to you dated on or about the date of this letter. The Restructuring and the Facilities are herein referred to as the "**Transaction**". This letter (including the Term Sheet), the Syndication Letter, the CP Satisfaction Letter and each Fee Letter are together the "**Commitment Documents**". Terms defined in the Term Sheet and in the other Commitment Documents shall have the same meaning in this letter unless otherwise specified.

In respect of the Facilities, you hereby appoint the Underwriters as the exclusive underwriters and BNP Paribas and Standard Chartered Bank (Hong Kong) Limited (the "**MLABs**") as the exclusive mandated lead arrangers, syndication agents and bookrunners. The "**Facility Agent**" and the "**Security Agent**" shall be appointed in the Facilities Agreement (and any of Madison Pacific Trust Limited, Global Loan Agency Services Limited, The Hongkong and Shanghai

Banking Corporation, any Commitment Party (or affiliate thereof) or any other Finance Party (or affiliate thereof) are pre-approved by the Commitment Parties to be appointed in any such capacity). Any reference to the Facility Agent and the Security Agent (including references to them as Commitment Parties) in the Commitment Documents shall, prior to their appointment, be deemed to be a reference to the MLABs. The MLABs, the Underwriters, the Facility Agent and the Security Agent are together the "**Commitment Parties**". The obligations of the MLABs and the Underwriter under the Commitment Documents are several. No MLAB is responsible for the obligations of any other MLAB. No Underwriter is responsible for the obligations of any other Underwriter. Each Commitment Party may separately enforce its rights under the Commitment Documents.

Certain Funds

The Commitment Parties hereby confirm that the Facilities have been approved by their respective credit committees and any other relevant internal bodies or approvals process required and have obtained all necessary internal approvals to provide the commitment contained herein and undertake their respective obligations pursuant to the Commitment Documents and the Finance Documents. The obligations of each Commitment Party under this letter are subject only to the execution by the relevant parties of the facilities agreement for the Facilities reflecting the terms and conditions set out in the Commitment Documents (the "**Facilities Agreement**"). Notwithstanding any other provision of any Commitment Document (but without prejudice to the provisions set out under the heading "Acceptance & Termination" below), the only conditions to the availability of the Facilities during the Certain Funds Period shall be those set out in paragraphs 10 (*Certain Funds*) and 11 (*Conditions Precedent*) of the Term Sheet (the "**Certain Funds Conditions**"). The Facilities Agreement and the other Finance Documents shall be in forms that do not impair the availability of the Facilities during the Certain Funds Period if the Certain Funds Conditions are satisfied. Each Commitment Party and you agree to implement and be bound by the following documentation roadmap (the "**Documentation Roadmap**");

- (a) *first*, to negotiate the Finance Documents (including the Closing Security Documents) and the other initial conditions precedent documentation (each a "**Relevant Document**") in all relevant capacities in good faith and in accordance with the terms set forth in the Commitment Documents and where a term is not covered by the terms of the Commitment Documents, such term will be in the same commercial substance (with any necessary minor drafting changes) as that agreed in the HKBN 2012 precedent agreement to which the MLABs were party to (the "**Precedent Deal**") in the equivalent applicable document (the "**Precedents**") amended to reflect the relevant terms in the Commitment Documents, in each case, having regard to the provisions customary in recent global sponsor precedent for "control" transactions in the Hong Kong leveraged finance market and to the operational and strategic requirements of the Group and any deal-specific issues relating to the Transaction and the business of the Brand Business and to also use mutual reasonable efforts to ensure that the Relevant Documents are in agreed form no later than 9.00 a.m. (Hong Kong time) on the date falling 30 days after the date of your countersignature to this letter (or such later date notified by you to the MLABs on at least one day's prior notice) (the "**AF Target Date**");
- (b) *secondly*, where the Commitment Documents are silent and/or the Precedents do not provide any relevant drafting and/or the Commitment Parties and you fail to reach agreement on any relevant language by the date falling two Business Days after the AF

Target Date (or such later date notified by you to the MLABs on at least one day's prior notice) (the "**AF Backstop Date**"), the relevant language shall be such language as reasonably requested by the Underwriters or, if the Underwriters have not provided any relevant language by the AF Backstop Date, the language reasonably requested by you;

- (c) *thirdly*, the parties agree to use reasonable endeavours to complete all necessary amounts, details and other required administrative information where absent in the Facilities Agreement or any other Relevant Document once in agreed form in accordance with the foregoing or to the extent already in agreed form as specified in a CP Satisfaction Letter; and
- (d) *fourthly*, the parties agree that no further term, provision, drafting or language is required in order to create a binding obligation on the part of the Commitment Parties to provide the Facilities and from and including the date on which the form of the Relevant Documents have been determined in accordance with the foregoing paragraphs or to the extent already in agreed form (the "**AF (Relevant Documents)**"), each of the Commitment Parties irrevocably and unconditionally undertakes to enter into the AF (Relevant Documents) upon three Business Days prior notice by you of the intended signing date of any such document (or such later date notified by you to the MLABs on at least one day's prior notice).

The current status as at the date of this letter of the initial conditions precedent relating to the Facilities is specified in the CP Satisfaction Letter. Each Commitment Party agrees to promptly instruct its legal counsel to deliver the Closing Legal Opinions and to use its reasonable endeavours (including committing its own sufficient internal resources and instructing its legal counsel to also commit sufficient internal resources) with a view to ensuring its compliance with the foregoing paragraphs. Each of the parties to this letter acknowledges that the Company may seek specific performance by the Commitment Parties and/or the Finance Parties of their agreement to enter into the Facilities Agreement in accordance with the terms of the Commitment Documents, in addition to any other available remedies and that damages are not an adequate remedy with respect to these matters.

Acceptance & Termination

The irrevocable offer of the Commitment Parties set forth in the Commitment Documents will terminate at 11:59 p.m. (Hong Kong time) on the date falling 5 Business Days after the date of this letter, unless you accept the Commitment Documents at or prior to that time by signing and returning (including via email or fax) counterparts of this letter, the Syndication Letter and (to the extent party thereto) each Fee Letter to:

- (a) *BNP Paribas*: Attention: Guillaume Douin / Jean-Baptiste Peloux / Danny Hung / Cloris Xu, Email: guillaume.douin@asia.bnpparibas.com /jean-baptiste.peloux@asia.bnpparibas.com/danny.m.hung@asia.bnpparibas.com/cloris.xu@asia.bnpparibas.com, Address: 63/F Two International Finance Centre, 8 Finance Street, Central, Hong Kong; and
- (b) *Standard Chartered Bank (Hong Kong) Limited*: Attention: Crystal Zhou / Florence Chan / Galen Wong / Eric Cheng / Beate Behrens, Email: Crystal.Zhou@sc.com/ Florence.Chan@sc.com/Galen.Wong@sc.com/Eric.Cheng@sc.com/Beate.Behrens@sc.com, Address: 25/F, 4-4A Des Voeux Road Central, Hong Kong.

Following your agreement to the Commitment Documents in the manner set out above, either the Commitment Parties (in the case of paragraphs (a) to (c) below only) or the Company (in the case of paragraphs (a), (b) and (d) below only) may terminate its respective obligations under the Commitment Documents and such obligations shall terminate immediately upon written notice to the Company from the Commitment Parties (in the case of paragraphs (a) to (c) below only) or upon written notice to the Commitment Parties from the Company (in the case of paragraphs (a), (b) and (d) below only) if:

- (a) the Facilities Agreement is not entered into by the date falling 7 Months after the date of this letter;
- (b) the Restructuring has lapsed or has been conclusively and definitively withdrawn, terminated, rescinded, abandoned or aborted and the Company (or the Sponsor on its behalf) notifies such event in writing to the Commitment Parties;
- (c) the Company fails to comply with any material term of the Commitment Documents in any material respects (if, and only if, such failure to comply would constitute a breach of the Certain Funds Conditions if the Facilities Agreement had been entered into on the date of this letter) and the Company has not remedied such failure to comply within 10 Business Days of a written notice from the MLABs; or
- (d) any of the Commitment Parties fails to comply with any material term of the Commitment Documents in any material respect and has not remedied such failure to comply within 10 Business Days of a written notice from the Company or the Company has requested (acting reasonably and in good faith) amendments and/or supplements to the Commitment Documents, the Finance Documents and any other documents delivered thereunder or in relation thereto (including the SPA) that have arisen as part of the negotiations with senior management of the ListCo Group or the Founder in connection with the Restructuring following the date of this letter or as contemplated pursuant to the Transfer Documents or which are necessary to implement or complete the Restructuring and which are not, in each case, (taken as a whole) materially adverse to the interests of the Commitment Parties and, in each case, a Commitment Party has not consented (to the extent required) to such amendment or any Commitment Party is unable to agree to any terms under the Relevant Documents which have been approved by all the other Underwriters (excluding any other Underwriter that falls within this paragraph (d)).

Any termination of any Commitment Party's obligations under the Commitment Documents in the case of paragraph (a) or (d) above or the Company's obligations under the Commitment Documents in the case of paragraph (a) or (c) above shall not in any way prejudice the obligations and liabilities of such Commitment Party or the Company (as applicable) in respect of its failure to comply with the provisions of any Commitment Document prior to such termination. In the case of any termination pursuant to paragraph (d) above (any such person subject to the termination being a "**Replaceable Commitment Party**"), the Company shall have the right to replace the relevant commitments (subject to the consent of the Commitment Party whose Commitments are to be increased as a result of such reallocation) to the remaining Commitment Parties (other than to the Facility Agent or the Security Agent acting in such capacity) and applied pro rata among those Commitment Parties which provide such consent or to the extent the Commitment Parties are not willing to agree to such replacement or role (other than in respect of the Facility Agent and/or the Security Agent role(s)), to such additional entities as the Company may select. Each of the remaining Commitment Parties shall enter into

such amendments to the Commitment Documents as you may request to give effect to such replacement and the assumption of the rights and obligations of such Replaceable Commitment Party under the Commitment Documents (construed as if those rights and obligations had not been terminated) by such relevant replacement entity. Notwithstanding, the right of the Company to replace any Replaceable Commitment Party pursuant to the foregoing, all the obligations of the remaining Commitment Parties shall continue on a several basis regardless of whether or not a Replaceable Commitment Party is actually replaced

Confidentiality

Each party to this letter acknowledges and agrees that the Commitment Documents (including the terms and substance thereof) are confidential and shall not, and shall ensure that none of its affiliates shall, without the prior written consent of the Commitment Parties and you, disclose the Commitment Documents or their contents to any other person except:

- (a) as required by applicable law, regulation (including customary accounting practices) or court order arising out of or in connection with the Commitment Documents or to comply with the rules of any regulatory or governmental body or applicable financial market or securities exchange or pursuant to a request by any regulatory or governmental body (including pursuant to any announcement made pursuant to Rule 3.5 of the Hong Kong Code on Takeovers and Mergers), **provided that** (in each case, to the extent it is practicable and lawful for the Commitment Parties to do so) the Commitment Parties agree to notify you before making any such disclosure and take into account your reasonable requirements regarding the proposed form, timing, nature and extent of such disclosure;
- (b) by you to the ListCo Group and the current direct or indirect owners and management of the ListCo Group and their respective officers, employees, investors and advisors on a confidential basis (**provided that** such exception shall not apply, prior to IDD, to the quantum of fees payable under any Fee Letter which may be redacted by the Company);
- (c) by you to the Company and its direct or indirect owners or holding companies (present and prospective, including the Sponsor) and management and each of their respective directors, officers, employees, investors, managers and advisers for the purposes of the Transaction on a confidential and need-to-know basis;
- (d) to each Commitment Party's or its affiliates', directors, employees or professional advisers for the purposes of the Facilities on a confidential and need-to-know basis who have been made aware of and agree to be bound by the obligations under this paragraph or are in any event subject to confidentiality obligations as a matter of law or professional practice;
- (e) to any of its affiliates (including any head office, branch and/or representative office) for the purposes of the Facilities on a confidential and need-to-know basis, **provided that** each party must procure compliance by its respective affiliates with this paragraph;
- (f) (in accordance with the Syndication Letter) to any potential lender, participant, sub-participant or country risk insurer on condition that they agree to keep confidential such documents and their terms;
- (g) to its or its affiliates' auditors, insurers, insurance brokers or service providers on a

confidential and need-to-know basis who have been made aware of and agree to be bound by the obligations under this paragraph or are in any event subject to confidentiality obligations as a matter of law or professional practice; and

- (h) that, on or after the date of the Announcement (as defined in the Restructuring Term Sheet), the MLABs shall have the right to disclose their role in the Transaction through customary tombstones or case studies in marketing materials, as well as for the purposes of league tables.

Miscellaneous

Each Commitment Document and your rights thereunder may not be assigned by you without the prior written consent of the MLABs. Subject to the other Commitment Documents, none of the rights or obligations of any Commitment Party under any Commitment Document may be assigned, transferred or sub-participated without your prior written consent. All communications to be given to you under or in connection with the Commitment Documents shall be sent to you by letter or email for the attention of Mr John Kim (jkim@cvc.com) and Ms Denise Mak (dmak@cvc.com), CVC Capital Partners Hong Kong Limited, Suites 2009-11, ICBC Tower, 3 Garden Road, Hong Kong.

Each Commitment Document may be executed in any number of counterparts, each of which shall be an original and all of which shall constitute one agreement. Delivery of an executed counterpart of a signature page of any Commitment Document by facsimile or email transmission shall be effective as delivery of an original executed counterpart thereof. None of the Commitment Documents or any provision thereof may be amended, waived or modified except by an instrument in writing signed by each of the parties thereto (and no consent shall be required in respect of any such amendment, waiver or modification from any person other than a party to such Commitment Document). Unless expressly provided to the contrary in a Commitment Document, a person who is not a Party to this letter has no rights to enforce or enjoy the benefit of any term of this letter. Notwithstanding any term of this letter, the consent of any person who is not a party is not required to rescind or vary this letter at any time. Each Commitment Document shall be governed by and construed in accordance with the laws of Hong Kong. Each of the Commitment Parties and you agree that the courts of Hong Kong shall have non-exclusive jurisdiction to settle any disputes in connection with each Commitment Document and each of the Commitment Parties and you accordingly submit to the jurisdiction of the courts of Hong Kong (but nothing shall prevent any party from taking proceedings in any other courts with jurisdiction or, to the extent allowed by law, taking concurrent proceedings in any number of jurisdictions).

Yours faithfully



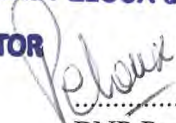
BNP Paribas
as MLAB



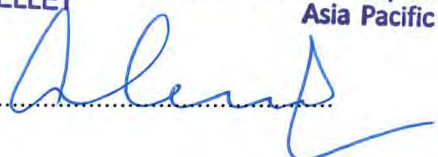
CHRISTOPHE CERISIER

Jean-Baptiste PELOUX de REYDELLET

DIRECTOR



BNP Paribas
as Underwriter



**Head of Loan Capital Markets,
Asia Pacific**

CHRISTOPHE CERISIER

Jean-Baptiste PELOUX de REYDELLET

DIRECTOR

**Head of Loan Capital Markets,
Asia Pacific**



Amit Tanna
Managing Director
Leveraged and Structured Solutions

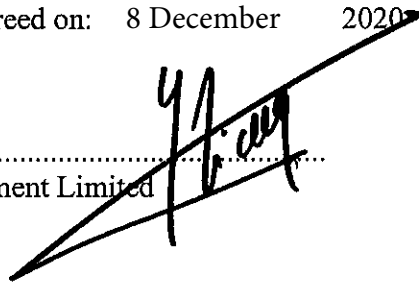
.....
Standard Chartered Bank (Hong Kong) Limited
as MLAB



.....
Standard Chartered Bank (Hong Kong) Limited
as Underwriter

Accepted and agreed on: 8 December 2020

.....
Brooklyn Investment Limited

A handwritten signature, possibly "H. van", is written over a dotted line. A large, bold diagonal line is drawn across the signature and extends upwards towards the date, effectively crossing out the signature area.

**STRICTLY PRIVATE & CONFIDENTIAL
EXHIBIT A**

**PROJECT BROOKLYN
TERM SHEET**

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PROJECT BROOKLYN KEY TERMS

1. **Facilities:**

Facility A: HK\$1,800,000,000 term loan facility (the "**Facility A**", with the loans drawn under Facility A, the "**Facility A Loans**").

RCF: HK\$200,000,000 revolving credit facility (the "**RCF**" and together with Facility A, the "**Facilities**", with loans drawn under the RCF, the "**RCF Loans**" and together with Facility A Loans, the "**Loans**").

The Facilities shall be subject to the Total Limit (IDD). To the extent the Facilities exceed such Total Limit (IDD) then *firstly* the RCF shall be reduced (and cancelled) until its commitments are zero and then *secondly* Facility A shall be reduced (and cancelled), in each case, to the extent required to meet the Total Limit (IDD).
2. **Borrower:**

Facility A: HK HoldCo.

RCF: The Company, HK HoldCo and any other Approved Borrower.
3. **Purpose:**

Facility A: To directly or indirectly, finance part of the consideration for the Restructuring, discharge the Existing Indebtedness (Backstop) and finance the payment of fees, costs and expenses in relation to the Facilities and the Restructuring and for the Group's general corporate purposes, in each case, in accordance with the Funds Flow.

RCF: To provide working capital for the Group and to finance the Group's general corporate purposes (including any restructuring costs, funding any Capital Expenditure or Permitted Acquisition).
4. **Availability Period:**

Facility A: Up to the earlier of the Second Carve-Out Completion Date and the Backstop Date.

RCF: From (or simultaneously with) the IDD and until the date falling 1 Month prior to the Final Maturity Date.
5. **Commitment Fees:**

Facility A: A non-refundable commitment fee on the relevant unutilised Facility accruing at a rate of 0.75% per annum from and including the date falling 3 months from the Commitment Date to the end of the relevant Availability Period. The relevant commitment fee will be payable on (and subject always to the occurrence of) the IDD.

RCF: A non-refundable commitment fee on the relevant unutilised Facility accruing at a rate equal to 30% of the applicable Margin from and including the IDD to the end of the relevant Availability Period. The relevant commitment fee will be payable quarterly in arrear until the date the relevant Facility is cancelled in full, subject always to the occurrence of the IDD.
6. **Interest Rate:**

HIBOR (subject to a zero floor) plus Margin.
7. **Margin:**

4.50% per annum and on and after the date falling 12 Months from the IDD, the relevant Margin shall be the following % per annum subject to the ratchet below based on the Leverage Ratio:

Leverage Ratio	%
Greater than 3.50:1	5.00%
Equal to or less than 3.50:1 to greater than 2.50:1	4.50%
Equal to or less than 2.50:1 to greater than 2.00:1	4.00%
Equal to or less than 2.00:1 to greater than 1.50:1	3.75%
Equal to or less than 1.50:1	3.50%

Any increase or decrease in the Margin for a Loan shall take effect on the date of receipt by the Facility Agent of any Compliance Certificate and if, following receipt by the Facility Agent of the Annual Financial Statements and related Compliance Certificate, those statements and Compliance Certificate demonstrate that the Margin:

- (a) should not have been reduced or should have been increased in accordance with the

above table, then the relevant Borrower (or the Company) shall promptly pay to the Facility Agent any amount necessary to put the Facility Agent and the relevant Lenders in the position they would have been in had the appropriate rate of the Margin applied during such period, **provided that** the relevant Borrower (or the Company) shall only be obliged to make such payment to the Facility Agent in respect of a particular Lender to the extent such Lender was a Lender (in respect of the relevant commitment) during the Relevant Period when such higher Margin should have applied; or

- (b) should not have been increased or should have been reduced in accordance with the above table, the next payment of interest (the "**Next Interest Payment**") under the relevant Facility following receipt of the relevant Annual Financial Statements by the Facility Agent shall be reduced by an amount equal to the difference between the Margin paid for such Relevant Period and the Margin that would have been paid for the Relevant Period had the appropriate rate of the Margin been applied at the time, **provided that** the Next Interest Payment shall not be reduced by an amount greater than the portion of the Next Interest Payment which is attributable to accrued Margin (**provided that** the next payment(s) of interest due on the Loan shall, subject (in each case) to the proviso in this paragraph, be reduced pro tanto until such time as the aggregate amount of such reductions equals the difference between the interest paid for the Relevant Period and the interest that would have been paid for the Relevant Period had the appropriate rate of the Margin applied during that Relevant Period) **provided further that** any such reduction shall only apply to the extent the Lender which received the overpayment of interest remains a Lender (in respect of the relevant commitment) as at the date of such adjustment and relevant payment.

While any Event of Default is continuing, the applicable Margin shall revert to the highest Margin per annum specified above **provided that** once that Event of Default ceases to be continuing, the Margin will be recalculated from the date on which the relevant Event of Default has ceased to be continuing on the basis of the most recently delivered Relevant Financial Statements and the provisions set out in this definition. There shall be no restriction on the number of steps up or down in the level of Margin that may occur as a result of this definition.

8. **Final Maturity Date:** 5 years from the IDD.

9. **Repayment:** *Facility A:* Shall be repaid in semi-annual instalments in accordance with the following repayment schedule (with the "**First Repayment Date**" being 31 May 2022):

Date	%
First Repayment Date.....	3.00%
First Repayment Date plus 6 Months	3.00%
First Repayment Date plus 12 Months	4.00%
First Repayment Date plus 18 Months	4.00%
First Repayment Date plus 24 Months	6.00%
First Repayment Date plus 30 Months	6.00%
First Repayment Date plus 36 Months	7.00%
First Repayment Date plus 42 Months	7.00%
Final Maturity Date.....	60.0%

RCF: On the last day of the Interest Period applicable to the relevant RCF Loan. During the Availability Period for the RCF amounts repaid or prepaid under the RCF may be re-borrowed.

RCF clean down: The Company shall (a) ensure that for a period of at least 2 consecutive Hong Kong business days (each a "**Clean Down Period**") in each Financial Year (commencing with the Financial Year starting on 1 March 2022), all RCF Loans, after deducting the aggregate Cash Amounts which are freely available without restriction to repay such RCF Loans (including any credit balance of the Prepayment Account), are reduced to zero and (b) ensure that not less than 2 Months shall elapse between two Clean Down Periods.

Where the RCF is undrawn for a period of 2 successive Hong Kong business days at a time when a Clean Down Period is permitted in accordance with paragraph (a) above, then such Clean Down Period shall be deemed to have taken place automatically. Where the Company satisfies its obligation under this paragraph, it shall provide details with respect to such Clean Down Period in the Compliance Certificate deliverable following such Clean Down Period.

10. Certain Funds:

During the Certain Funds Period, no Finance Party shall be entitled to cancel any of its commitments, invoke any condition set out in the further conditions precedent provisions in the Facilities Agreement as a ground for refusing to make any Certain Funds Advance to the extent of its available commitment in respect of that Facility, refuse to participate in the making of a Certain Funds Advance, rescind, terminate or cancel the Facilities Agreement or any of the Facilities or exercise any similar right, remedy or make or make or enforce any claim under the Finance Documents, exercise any right of set-off or counterclaim in respect of any Utilisation, cancel, accelerate or cause repayment or prepayment of any amounts owing under the Facilities Agreement or under any other Finance Document or exercise any enforcement rights under any Security Document, exercise any right, power or discretion (in its capacity as a Finance Party or as an account bank (including any relevant Affiliate)) to (directly or indirectly) prevent the making of an Restructuring Disbursement; or take any other action or make or enforce any claim (in its capacity as a Lender) to the extent that such action, claim or enforcement would directly or indirectly prevent or limit the making of a Certain Funds Advance, **provided that** immediately upon the expiry of the Certain Funds Period all such rights, remedies and entitlements shall be available to the Finance Parties notwithstanding that they may not have been used or been available for use during the Certain Funds Period. The Certain Funds Advances will be made available during the Certain Funds Period subject only to:

- (a) satisfaction of the conditions precedent specified in paragraph 11 (*Conditions Precedent*);
- (b) no Exit Event having occurred under sub-paragraph (b) of paragraph 18 (*Mandatory Prepayment*);
- (c) no Certain Funds EoD is continuing or would result from the proposed Certain Funds Advance; and
- (d) it is or becomes unlawful in respect of a Lender's ability to lend or participate in such Certain Funds Advance due to a change in law after such Lender becomes a party to the Facilities Agreement, unless any funding shortfall created as a consequence of such illegality is met by one or more of the remaining Lenders, any additional Lender(s) and/or the Group's own funds (and excluding, for the avoidance of doubt, any event of unlawfulness that has been overcome and no longer affects that Lender), **provided that** (for the avoidance of doubt) such unlawfulness affecting a Lender shall not affect the obligations of any other Lender to fund such other Lender's share of such Certain Funds Advance **provided further that** such Lender affected by such unlawfulness shall not be required to fund.

11. Conditions Precedent:

To consist of the following only and all to be in form and substance satisfactory to the Original MLABs (acting reasonably) and in accordance with the CP Satisfaction Protocol (the Original MLABs shall notify the Company, the Facility Agent and the other Lenders promptly upon being so satisfied):

- (a) the entry into of the Facilities Agreement, the Intercreditor Agreement, the Fee Letters, the Closing Security Documents and the Closing Security Deliverables, in each case by the applicable Closing Entity;
- (b) a director's certificate from the Company and (in respect of paragraphs (i) and (ii) below only) each other Closing Entity:
 - (i) confirming that borrowing, securing or guaranteeing (as applicable) the total commitments would not cause any borrowing, securing, guarantee or similar limit binding on it to be exceeded and that copies of all documents provided by it are

correct, complete and in full force and effect in all material respects;

- (ii) attaching its certificate of incorporation (and any certificate of change of name (if any)) and memorandum and articles of association (or equivalent), its statutory registers, a certificate of incumbency (to the extent available) and a certificate of good standing (to the extent available), a board resolution and a list of specimen signatures of its authorised signatories who will actually be signing any of the initial conditions precedent;
- (iii) confirming the applicable Total Limit (IDD);
- (iv) confirming that the Scheme Effective Date and the First Carve-Out Completion Date (as defined in the Restructuring Term Sheet) have occurred and confirming that the amounts to be drawn under Facility A (plus cash resources held by the Group) are sufficient to pay the consideration payable by the Company to the Founder (under the relevant Transfer Documents and in accordance with the Restructuring Plan on the Second Carve-Out Completion Date) and discharge in full the creditors of the Existing Indebtedness (Backstop) (and to the extent that such Existing Indebtedness is owed to an Original MLAB, on the same day as the utilisation of Facility A) other than (x) to the extent not already cancelled and/or repaid or (y) to the extent constituted (only to the extent fully cash backed) by way of a letter of credit or guarantee issued by an Original MLAB (or any of its affiliates); and
- (v) confirming that all steps to be completed on the Second Carve-Out Completion Date (as contemplated by the Restructuring Term Sheet and the Restructuring Plan) have been or will be completed on the IDD, that there has been no breach of subparagraph (b) of paragraph 9 (*Documents*) of Annex 3 (*Covenants*) in relation to the Transfer Documents and attaching (A) a copy of the executed Framework Agreement (**provided that** the Company may redact any provision thereof that it considers to be commercially sensitive), (B) the executed Restructuring Term Sheet, (C) the Funds Flow, (D) the Model, (E) the Reports, (F) the PWC Agreed Review Procedures; (G) the public announcement in respect of the Scheme; and (H) the executed Shareholders' Agreement (as defined in the Restructuring Term Sheet);
- (c) evidence that the Investors have (directly or indirectly) funded as part of the Scheme an amount equal to at least 60% of the enterprise value of the Brand Business on or before the Scheme Effective Date;
- (d) the Closing Opinions;
- (e) evidence that the Closing KYC has been satisfied; and
- (f) evidence that the fees (other than legal fees), costs and expenses then due and payable to any Finance Party under paragraph 24 (*Costs & Expenses*) or any Fee Letter, have been paid or will be paid simultaneously with the initial drawdown of Facility A **provided** that an authorisation in the Utilisation request for the Facility Agent to deduct those amounts from the proceeds of the first Utilisation shall be deemed to be reasonable evidence that this condition precedent is satisfactory to the Finance Parties and the payment of fees and expenses for any of the legal counsel for the Finance Parties shall not be a condition to the first Utilisation of any of the Facilities or delivery of any Closing Opinion.

12. Security & Guarantees:

First ranking security to be provided (subject to the Security Principles) over the following assets:

- (a) on or prior to the IDD:
 - (i) the Parent (by way of third party security only) shall grant security over 100% of the shares in the Company that it owns (the "**Company Share Security**") and assign all of its rights under any present and future shareholder loan(s) made or to

be made to the Company (the "**Parent Assignment**");

- (ii) the Company shall grant security over 100% of the shares in SPVCo that it owns (the "**SPVCo Share Security**") and grant security over all or substantially all of its assets (including bank accounts) (the "**Company Debenture**");
 - (iii) SPVCo shall grant security over 100% of the shares in HK TopCo that it owns (the "**HK TopCo Share Security**") and grant security over all or substantially all of its assets (including bank accounts) (the "**SPVCo Debenture**");
 - (iv) HK TopCo shall grant security over 100% of the shares in HK HoldCo that it owns (the "**HK HoldCo Share Security**") and grant security over all or substantially all of its assets (including bank accounts) (the "**HK TopCo Debenture**");
 - (v) HK HoldCo shall grant security over all or substantially all of its assets (including bank accounts) (the "**HK HoldCo Debenture**"); and
 - (vi) the Closing Entities (other than the Parent) shall enter into a security assignment agreement in respect of inter-Group receivables (the "**Master Assignment**"); and
- (b) as soon as reasonably practicable and in any event within 60 Business Days after the IDD (the "**CS Deadline**") each Post-IDD Guarantor shall grant security over 100% of the shares in each Material Subsidiary that it owns and grant security over all or substantially all of its assets (including, over its bank accounts) and accede to the Master Assignment.

Subject to the Security Principles, guarantees shall be provided from the Original Guarantors on or prior to the IDD and from the Post-IDD Guarantors on or before the CS Deadline. Any applicable interest rate or foreign exchange hedging related to the Facilities shall benefit from the guarantees and Transaction Security *pari passu* **provided that** the hedging provider is a Lender (at the time of entry into of the applicable Treasury Transaction) or an affiliate of a Lender.

13. Interest Periods:

1, 2, 3 or 6 Months at the Company's option (or such other period as agreed between all the relevant Lenders and the Company). In addition, the Company may (but is not obliged to), with the consent of the Lenders, select an Interest Period in relation to a Facility A Loan of less than one Month, if necessary to ensure that the Facility A Loan has an Interest Period ending on the next Facility A repayment date. During the Syndication Period the Interest Period shall be 1 Month at the MLABs' request (or such shorter period as agreed by the Company). In respect of the RCF Loans, if the relevant Borrower elects to change the Interest Period of a RCF Loan, that Borrower shall give the Facility Agent 3 Business Days' prior written notice before the rollover of that RCF Loan.

14. Drawdown:

A Utilisation request in respect of a Facility shall be submitted to the Facility Agent by the Company or, in respect of a utilisation of the RCF, by any Borrower, no later than 11 a.m. on the date falling 2 Business Days prior to the proposed drawdown date. The minimum amount of a proposed loan must be at least HK\$50,000,000 and in multiples of HK\$5,000,000 or if less, the respective available Facility A or RCF. A Utilisation request may be submitted on a revocable or conditional basis. No more than one Facility A Loan and 15 RCF Loans in aggregate may be outstanding at any one time. Rollover of a Revolving Loan shall be automatic **provided that** there has not been any notice of acceleration that is continuing by the Facility Agent pursuant to the Facilities Agreement in respect of all the Utilisations.

15. Ancillary facilities, letter of credit & guarantees:

All or part of the RCF may be available by way of ancillary facilities (including a guarantee, documentary or stand-by letter of credit facility) subject to the consent of the applicable Lender.

16. Voluntary Cancellation:

Notwithstanding the Availability Period of the relevant Facility, a Borrower may, on not less than 2 Business Days' notice cancel all or part of the unutilised amount of the available Facility if above a minimum amount of HK\$50,000,000 (with integrals of HK\$5,000,000). Such cancelled amount shall not be available for reborrowing.

17. **Voluntary Prepayment:**

A Borrower may prepay all or any part of any Facility at any time during its tenure, subject to a minimum notice period of 2 Business Days and a minimum prepayment amount of HK\$50,000,000 (with integrals of HK\$5,000,000) which shall be applied against any Facility and any repayment instalment of any such Facility as the Company may elect. Any voluntary prepayment or voluntary cancellation notice may be submitted on a revocable or conditional basis.

18. **Mandatory Prepayment:**

Consisting of the following only:

- (a) **Illegality:** If, at any time, it becomes unlawful in any applicable jurisdiction for a Lender to perform any of its obligations as contemplated by the Facilities Agreement, or to fund, issue or maintain its participation in any Loan, then such Lender's obligations to participate in any Utilisation shall be suspended and their commitments shall be cancelled and its share in any Loan prepaid and/or transferred at par to another person (or any combination of the foregoing, **provided that** the relevant Lender's commitments are either cancelled and/or transferred in full no later than the latest date permitted by law or regulation).
 - (b) **Exit Event:** Upon the occurrence of an Exit Event:
 - (i) the Company shall promptly (or any Lender may) notify the Facility Agent upon becoming aware of that event and no Lender shall be obliged to fund a Utilisation (except for a rollover of the RCF) (A) before the expiry of the 30 Business Days period (or such other period agreed between that Lender and the Company) referred to in paragraph (ii) below or with respect to any Lender, any earlier date such Lender makes an election pursuant to the last sentence and (B) at any time after it has delivered a notification to the Facility Agent and the Company pursuant to paragraph (ii) below; and
 - (ii) if a Lender so requires and notifies the Facility Agent and the Company within 30 Business Days (or such other period agreed between that Lender and the Company) of the notification pursuant to paragraph (i) above, the Facility Agent shall, promptly upon the request of that Lender, by not less than 20 Business Days' notice to the Company, cancel the Commitment of that Lender and declare the participation of that Lender in all outstanding Utilisations, together with accrued interest, and all other amounts accrued under the Finance Documents immediately due and payable, whereupon the Commitment of that Lender will be cancelled and all such outstanding amounts will become immediately due and payable.
- Any Lender may, whether or not at the request of the Company, elect not to deliver a notice to the Facility Agent and the Company pursuant to paragraph (b)(ii) above at any time (including prior to the actual occurrence of any Change of Control).
- (c) **IPO:** In the event there is an IPO that does not otherwise constitute a Change of Control, 100% of the IPO Proceeds will be applied in prepayment of the Facilities.
 - (d) **Proceeds:** The Company shall ensure the Facilities are prepaid with any Proceeds (other than IPO Proceeds).
 - (e) **Excess Cashflow:** Commencing with the Financial Year of the Company ending on 28 February 2023 in relation to each Financial Year of the Company, an amount equal to the applicable percentage of Excess Cashflow (calculated on a *pro forma* basis giving effect to such prepayment, so that once the Most Recent Leverage is reduced on a *pro forma* basis to the next lower level in the table below by virtue of such prepayment, the percentage applicable to such lower level of Most Recent Leverage shall apply to the remainder of such Excess Cashflow) is to be applied in prepayment of the Facilities as soon as reasonably practicable (and in any event no later than the first Facility A instalment date that falls at least three Months after the date on which the Company delivers its Annual Financial Statements in respect of such Financial Year). The applicable percentage of Excess Cashflow to be applied in prepayment shall reduce by

reference to the Most Recent Leverage set out below:

<u>Most Recent Leverage</u>	<u>Excess Cashflow</u>
Greater than 2.50:1	50%
Equal to or less than 2.50:1 to greater than 1.50:1	25%
Equal to or less than 1.50:1	0%

The Company shall be entitled to nominate any voluntary prepayments made or to be made in the relevant Financial Year (in which the prepayment on account of Excess Cashflow in respect of the previous Financial Year actually occurs), which voluntary prepayments are or are to be made prior to the time when such prepayment on account of Excess Cashflow for the previous Financial Year is due to be made, as an early payment of such prepayment on account of such Excess Cashflow and thus satisfying (on a dollar for dollar basis) the obligation to make such prepayment on account of such Excess Cashflow for such previous Financial Year (but without double-counting such voluntary prepayments in calculating Excess Cashflow for the Financial Year in which such early prepayment was made and, **provided that** the amount prepaid is applied as a mandatory prepayment). No Excess Cashflow prepayment is required to the extent the cash balance of the Group immediately following such prepayment would be less than HK\$150,000,000.

Restrictions: All prepayments referred to above (other than Illegality, Exit Event and IPO) are subject to permissibility under local law (e.g. financial assistance, corporate benefit, restrictions on upstreaming of Cash Amounts intra-Group and the fiduciary and statutory duties of the directors of the relevant Group Members) and contractual restrictions to the extent not entered into solely for the purposes of limiting repayment. Further, (other than illegality, Exit Event and IPO) there will be no requirement to make any prepayment where there is a Tax or other cost to the Group exceeding 5% (excluding withholding tax applicable on distributions from a PRC Group Member to a non-PRC Group Member as provided under the laws of the PRC as at the Commitment Date) of the amount to be prepaid in connection with the making (or moving of funds to make) such prepayment (the "**Leakage Cap**"). The Group will undertake to use commercially reasonable endeavours to overcome any such restrictions and/or minimise any such costs of prepayment. If at any time such restrictions are removed, any relevant proceeds will be applied in prepayment of the relevant Facilities as soon as reasonably practicable after such restriction is removed or (at the option of the Company **provided that** no Key EoD is continuing) at the end of the next Interest Period, to the extent that any such prepayment has not otherwise been made and the relevant proceeds remain within the Group. To the extent the relevant Tax or cost is less than the Leakage Cap, and the prepayment is otherwise required to be made in accordance with the terms hereof, then (other than illegality, Exit Event and IPO) the relevant obligation to prepay shall be reduced by the net amount of such Tax and costs. To the extent any movement of any Cash Amount is required between Group Members to facilitate any of the mandatory prepayments referred to above, such movement will also be subject to this paragraph. Excess Cashflow for any Financial Year shall be determined on an entity by entity basis and if any Cash Amount of any entity which constitutes Excess Cashflow is restricted in accordance with the foregoing provisions then the obligation to pay such Cash Amount into the Prepayment Account shall be suspended, subject to the terms of this paragraph. All prepayments above (other than Illegality and Exit Event) shall be deemed to include any applicable accrued interest and any associated hedge unwind/termination costs as a result of such prepayment of principal and such amounts of principal required to be prepaid shall be reduced accordingly. The Group shall not be required to pay into any blocked/secured accounts any proceeds that would, if not for the restrictions or limitations described above, be required to be prepaid **provided that** such returned proceeds shall not be used directly to fund a Distribution by the Company pursuant to paragraph (g) of the definition of Permitted Distribution.

Application: Mandatory prepayments will be applied: *firstly*, in prepayment of Facility A (against scheduled repayment instalments of Facility A *pro rata*); *secondly*, in cancellation *pro rata* of any available commitment under the RCF and any Incremental Facility (the available commitments of lenders under each such facility will be cancelled rateably); *thirdly*, in permanent prepayment and cancellation of loans under the RCF and any Incremental Facility *pro rata* and cancellation of any corresponding commitments under each such facility;

and *lastly*, in repayment of the ancillary facilities (and cancellation of corresponding available commitments under the ancillary facilities); and cancellation of available commitments under the ancillary facilities (on a *pro rata* basis) and cancellation, in each case, of the corresponding available commitments under the RCF and any Incremental Facility.

Prepayment Account: Amounts received by the Group which potentially need to be applied in prepayment of the Facilities under sub-paragraphs (c), (d) and (e) above do not need to be deposited or retained in any holding account, save that amounts which need to be applied in mandatory prepayment of the Facilities under sub-paragraphs (c), (d) and (e) above shall be paid into a prepayment account held by an Obligor secured in favour of the Security Agent pending their application in accordance with such prepayment provisions (the "**Prepayment Account**"). The Company may elect at any time and at its option to apply any amount standing to the credit of the Prepayment Account in prepayment and cancellation of the Facilities. For so long as Key EoD has occurred and is continuing, the Company irrevocably authorises the Facility Agent (acting on the instructions of the Majority Lenders) to withdraw from the Prepayment Account, at any time, any amount standing to the credit of that account and apply that amount in prepayment and cancellation of the Facilities. However, where the Company has made an election in accordance with the foregoing, the Facility Agent may not withdraw the amount until the date specified in the relevant notice or the Acceleration Date has occurred. Interest which has accrued on the Prepayment Account may be withdrawn by the Company **provided that** no such withdrawal may be made while a Key EoD is continuing.

19. **Financial Reporting:**
- (a) *Financial Information:* (commencing with the first full Financial Quarter after the IDD) provision of the following:
 - (i) *Annual Financial Statements:* the audited annual consolidated financial statements of the Group within 120 days (and in respect of the first Annual Financial Statements submitted after the IDD, 150 days) of the end of each Financial Year;
 - (ii) *Quarterly Financial Statements:* the unaudited quarterly consolidated financial statements of the Group for the first three Financial Quarters (of each Financial Year only) within 60 days (and in respect of such statements submitted in respect of any Financial Quarter falling within 12 Months after the IDD, 75 days) of the end of such Financial Quarter; and
 - (iii) *Compliance Certificate:* a compliance certificate (with each Relevant Financial Statements only) including (in respect of the Financial Covenants) reasonably detailed information and calculations with respect thereto and confirmation (with each Annual Financial Statements only) of the Material Subsidiaries and the status of compliance with paragraph (b) of paragraph 21 of Annex 3 (*Covenants*),

provided further that in the event that any period specified in this paragraph for the Group to deliver any financial statements, Compliance Certificate, documents or other information expires on a day which is not a Business Day, that period shall be extended so as to expire on the next Business Day.
 - (b) *Accounting Treatment:* the Annual Financial Statements shall be prepared in accordance with the applicable Accounting Principles (save for completion of any Acquisition Reconciliation) and the Quarterly Financial Statements shall be prepared in accordance with the Original Accounting Principles and if the Company notifies the Facility Agent that there has been a change in the Accounting Principles or the relevant accounting practices or reference periods (including any change to the Financial Year end date or Financial Quarter Date), the Company shall notify the Facility Agent and promptly elect either to:
 - (i) deliver to the Facility Agent a description of any change necessary for the relevant financial statements to reflect in all material respects the Original Accounting Principles (a "**Reconciliation Statement**") (although such description need only be delivered once in respect of each such change in the Accounting Principles) and to the extent not addressed by the Reconciliation Statement, supply sufficient information to enable the Lenders to determine whether the Financial Covenant has

been complied with and to determine Excess Cashflow and any other relevant matter required to make a determination in respect of compliance with any requirement under the Finance Documents and/or to make an accurate comparison between the financial position indicated in those Relevant Financial Statements (and any reference in this Agreement to any such Relevant Financial Statements shall be construed as a reference to those Relevant Financial Statements as adjusted to reflect the Original Accounting Principles); or

- (ii) enter into negotiations with the Facility Agent in good faith with a view to agreeing any amendments to the Facilities Agreement which are necessary **provided that** such amendments shall not result in any material alteration in the commercial effect of the obligations in the Finance Documents and **provided further that** for so long as no agreement is reached in respect of such amendments, each relevant financial definition in the Finance Documents shall continue to be calculated in all material respects in accordance with the Original Accounting Principles (subject to any adjustments made by or in accordance with the Facilities Agreement) and (only if materially different from that previously delivered by the Company to the Facility Agent) the Company shall provide a Reconciliation Statement with each relevant Annual Financial Statements (or, at the option of the Company), provide Annual Financial Statements prepared on the basis most recently agreed pursuant to this paragraph (b) and the information referred to in paragraph (i) above with each Compliance Certificate delivered.
- (c) *Budget*: commencing with the Financial Year of the Company ending on 28 February 2023, provision of a budget for the Group for each annual accounting period no later than 60 days after the start of that annual accounting period, it being understood that in respect of the Financial Year of the Company ending on 28 February 2022, the budget of the Group shall be the Model.
- (d) *Presentations*: if requested by the Facility Agent (on the instructions of the Majority Lenders), the senior management of the Group will provide one presentation per Financial Year to the Lenders within 30 days of a request (such request not to be made less than one Month before the delivery of any Relevant Financial Statements).
- (e) *Notification of Default*: notification to the Facility Agent promptly upon becoming aware of any Default that is continuing and specifying the Default and the steps, if any, being taken to remedy it.
- (f) *Records*: each Obligor will keep proper books of account relating to its business in all material respects.
- (g) *Investigation*: while any Key EoD is continuing and subject to any applicable confidentiality requirements, each Obligor will permit the Facility Agent or other professional advisers engaged by the Facility Agent (after consultation with the Company as to the scope of the investigation and engagement), at the cost of the Company access (in the presence of the Company) at all reasonable times and on reasonable notice to the books, accounts and records of each Group Member and to discuss the financial matters of each Group Member with its officers and auditors, in each case to the extent the Facility Agent (acting reasonably) considers such access and/or discussion to be relevant to the Key EoD **provided that** in each case, all information obtained as a result of such access and/or discussion shall be subject to the confidentiality restrictions set out in the Facilities Agreement.
- (h) *Miscellaneous*: The Company shall supply to the Facility Agent, promptly:
 - (i) upon receiving a request by the Facility Agent, such further information regarding the Restructuring or the financial condition, business and operations of any Group Member (subject, in each case, to any pre-existing confidentiality arrangements) as any Finance Party (through the Facility Agent) may reasonably request;
 - (ii) after they are despatched, material documents dispatched by an Original Obligor to

its creditors generally as a class by reason of financial difficulty; and

(iii) upon becoming aware of them the details of any material litigation (including any claims related to the Transfer Documents) which are reasonably likely to be adversely determined and, if so adversely determined, would reasonably be expected to have a Material Adverse Effect and the details of the generation of proceeds that require prepayment pursuant to paragraph 18 (*Mandatory Prepayment*).

(i) *KYC*: compliance with relevant know your customer requirements under applicable laws and regulations arising due to change in law or regulation, change in status of any Obligor or composition of shareholders of an Obligor or a proposed assignment/transfer by a Lender of its rights or obligations under the Facilities Agreements.

(j) *Auditors*: The Company shall ensure that an Approved Auditor acts at all times as the auditor for the Annual Financial Statements. There shall be no requirement that the auditor of any individual Group Member be an Approved Auditor.

20. Clean-up Period:

Notwithstanding any other provision of any Finance Document, any Event of Default constituting a Clean-Up Default shall only apply if it is continuing at any time after the applicable Clean-Up Date, where: "**Clean-Up Date**" means the last day of the relevant Clean-Up Period. "**Clean-Up Default**" means any Default or any Event of Default subsisting on or arising after closing of the relevant Permitted Acquisition but prior to expiry of the relevant Clean-Up Period to the extent that it (or any representation or undertaking relating thereto) relates to the target of a Permitted Acquisition and its Subsidiaries (excluding any Original Obligor but always including, in respect of the Restructuring, the Brand Business) only (or any obligation to procure or ensure in relation to any such person) **provided that** no Material Adverse Effect has occurred or is reasonably likely to occur as a result of the occurrence of that Clean-Up Default, that Clean-Up Default has not been procured or approved by any Closing Entity, that Clean-Up Default does not exist immediately following the Clean-Up Date and that Clean-Up Default is capable of being remedied and reasonable steps are being taken to remedy it or the event or circumstance which gave rise to it. "**Clean-Up Period**" means (with respect to the Restructuring) the period from the IDD to the date falling 120 days from such date and (with respect of any Permitted Acquisition other than the Restructuring), the period of 120 days from the date of the relevant completion of that Permitted Acquisition.

21. Exchange Rates:

Other than in respect of the Financial Covenants, in relation to any baskets, thresholds and any other exceptions to the representations, covenants and Events of Default which are expressed in an amount of money, the equivalent to an amount in HK\$ shall be calculated as at the date of the Group Member incurring or making the relevant Disposal, acquisition, investment, lease, loan or incurring the relevant financial indebtedness or guarantee or taking other relevant action. No breach of representation, covenant or other Event of Default (other than a breach of Financial Covenants) shall arise merely as a result of a subsequent change in the equivalent in HK\$ of any relevant amount due to fluctuation in exchange rates.

22. Taxes & Deductions:

Standard increased costs, gross-up and qualifying/treaty lender provisions to be agreed in documentation (with express exclusions for Basel II and, to the extent the relevant Lender is required to apply Basel III, CRD IV and/or Dodd-Frank on the date on which it becomes a party, Basel III, CRD-IV and/or Dodd-Frank). In the event that a Lender seeks to claim gross-up or increased costs, then the Finance Parties shall (a) take all reasonable steps to mitigate the impact of such claims, including a transfer of the rights and obligations of the relevant Lender to an Affiliate or changing the lending office of the relevant Lender; and (b) (for increased costs only) provide a certificate (giving reasonable details of the circumstances giving rise to such claim and the calculation of the increased costs) confirming the amount of the increased cost. In respect of increased costs only, if a Lender does not notify the Facility Agent of its intention to make a claim within 120 days after the date on which that Lender becomes aware of any increased cost or reduction in its rate of return on capital or loss, that Lender shall not be entitled to claim indemnification for such reduction in the rate of return on capital, increased cost or loss after such 120 day period. The Facilities Agreement shall make FATCA a Lender risk (including any change in law relating thereto).

23. **Market Disruption:** The market disruption provisions in the Facilities Agreement shall apply only in respect of affected Lenders (a "**Disrupted Lender**") (and only for so long as an affected Lender remains an affected Lender or for so long as an affected Lender has not withdrawn a market disruption notification) which are commercial lenders or other financial institutions who obtain funds for lending in a relevant interbank market and whose participations in the Facilities exceed 40% in aggregate (and who have actually made a claim in respect of such market disruption event pursuant to the market disruption provisions).
24. **Costs & Expenses:** The Obligors agree to pay upon 15 Business Days written notice (in the event that the IDD does occur) all reasonable expenses and costs incurred by a Finance Party in connection with the Commitment Documents and the Finance Documents (subject to a cap on legal fees agreed on or before the Commitment Date) and on the Lenders' out of pocket expenses to be separately agreed between the MLABs and the Sponsor on or prior to the Commitment Date, all reasonable legal expenses and costs incurred by the Lenders, the Facility Agent or the Security Agent if an Obligor requests an amendment, waiver or consent or an amendment is required pursuant to the change of currency provisions of the Facilities Agreement, in respect of an Incremental Facility and/or a release and retake of Transaction Security; and all costs and expenses (including legal fees but excluding the cost of any management time of the Facility Agent or the Security Agent unless an Event of Default is continuing) properly incurred by it in connection with the enforcement of or the preservation of any rights under any Finance Document and the Transaction Security and any proceedings instituted by or against the Security Agent as a consequence of taking or holding the Transaction Security or enforcing these rights (but excluding any management time of the Facility Agent or Security Agent unless an Event of Default is continuing) and (in the event that the IDD does not occur) the Obligors shall only be liable for the Finance Parties' legal fees up to an agreed cap, any fee which the Company has expressly agreed to pay to the Finance Parties in such circumstances and the Finance Parties' out of pocket expenses up to caps to be agreed separately between the MLABs and the Sponsor on or prior to the Commitment Date and no legal fees or out of pocket expenses will be paid until the Sponsor and the MLABs determine (acting reasonably) that the IDD is reasonably unlikely to occur.
25. **Management Input:** The Commitment Parties acknowledge that the Commitment Documents have been negotiated without full access to the management of the Brand Business and agree to negotiate in good faith any amendments, variations or supplements reasonably requested by the officers, directors or other representatives or advisors of the Brand Business prior to the expiry of the Clean-up Period.
26. **Personal Liability:** No Finance Party will have any recourse to any Investor Affiliate (excluding the Parent) in respect of any term of any Finance Document, any statements by any Investor Affiliate or otherwise. No natural person including any director, officer or employee of the Investor Affiliates, the Parent or any Group Member (or of any Affiliate thereof) shall be personally liable for any representation, statement, certificate, notice or other document delivered or made under a Finance Document including in the consequence of such representation, statement, certificate, notice or other document being incorrect, except in the case of fraud (in which case any liability shall be determined in accordance with applicable law).
27. **Documentation:** The Facilities shall be documented in the Facilities Agreement, the first draft of which shall be prepared by Clifford Chance. The Facilities Agreement shall include customary indemnities for non-consummation of drawdown, prepayment or cancellation due to revocable or conditional requests. Customary default interest provisions set at 2% shall be included in the Facilities Agreement. Any Obligor to Non-Obligor leakage prohibition (if any) shall be agreed at the full documentation stage once the identity of the Post (IDD) Guarantors is known. The Sanctions, anti-corruption and anti-money laundering representations and covenants contained in this Term Sheet remain subject to agreement at the full documentation stage and all the parties to the Commitment Letter acknowledge that they are not in agreed form in this Term Sheet. The Facilities Agreement shall include replacement screen rate provisions in customary form to be agreed by the parties to the Commitment Letter. The parties to the Commitment Letter agree that the Facility Agent and Security Agent have not been appointed as at the Commitment Date and reasonable comments to facilitate their

appointment will be considered in good faith and acting reasonably by all the parties to the Commitment Letter.

If an amount, transaction or thing under any Finance Document is determined by reference to any Accounting Principles (including any standard, rule or policy under any Accounting Principle) and there is a change to that Accounting Principle (including any standard, rule or policy under any Accounting Principle) after the Signing Date which would result in that amount, transaction or thing being in non-compliance with any provision of any Finance Document (other than in relation to a Financial Covenant), then no Default or Event of Default shall arise in respect of that non-compliance and the change to that Accounting Principle (including any standard, rule or policy under any Accounting Principle) shall be ignored in construing the Finance Documents. When applying any monetary limits, thresholds and other exceptions to the representations and warranties, the Financial Covenants, undertakings and Events of Default under the Finance Documents the equivalent to an amount in the base currency shall be calculated at the rate of exchange (reasonably determined by the Company using a reputable source) as at the date of the Group incurring or making the relevant disposal, acquisition, investment, lease, loan, debt or guarantee or taking any other relevant action. Where a JV becomes a Group Member, (at the election of the Company) the amount of loans to, guarantees of, assets transferred to, and contributions, investments or subscriptions in the equity of, such Group Member will cease to be included in basket calculations for the purposes of any restrictions or limitations on loans, guarantees, disposals, dividends, share redemptions, other restricted payments or investments in connection with Permitted JV and the amount of loans to, guarantees of, assets transferred to, and contributions, investments or subscriptions in the equity in such new Group Member shall be included in all basket calculations that apply to Group Members (as may be applicable).

Notwithstanding any other term of the Finance Documents:

- (a) none of the steps, actions or events expressly set out in or expressly contemplated by the Structure Report or the actions or intermediate steps necessary to implement any of those steps, actions or events shall constitute a breach of any representation and warranty or undertaking in the Finance Documents or result in the occurrence of a Default or an Event of Default and shall be expressly permitted under the terms of the Finance Documents;
- (b) prior to the end of the Certain Funds Period, no breach of any representation, warranty, undertaking or other term of (or default or event of default under) any document relating to any Existing Indebtedness arising as a direct or indirect result of Group Member or the Brand Business entering into and/or performing its obligations under any Finance Document (or implementing the Restructuring or the other transactions contemplated by the Transaction Documents) shall constitute a breach of any representation and warranty or undertaking in the Finance Documents or result in the occurrence of a Default or an Event of Default; and
- (c) (in respect of any breach of law (including sanctions and AML) representation, covenant or related Default or Event of Default only) any Group Member making payment-on-delivery sales in any of its stores in the Ordinary Course shall not constitute a breach of any representation and warranty or undertaking in the Finance Documents or result in the occurrence of a Default or an Event of Default and shall be expressly permitted under the terms of the Finance Documents.

A Default (including an Event of Default and a Certain Funds EoD) is "**continuing**" if it has not been remedied or waived and in addition:

- (a) if a Default (including an Event of Default and a Certain Funds EoD) occurs for a failure to deliver a required certificate, notice or other document in connection with another Default (an "**Initial Default**") then at the time such Initial Default is remedied or waived, such Default (including an Event of Default and a Certain Funds EoD) for a failure to report or deliver a required certificate, notice or other document in connection with such Initial Default will also be cured without any further action;

- (b) any Default for the failure to comply with the time periods prescribed in paragraph 19 (*Financial Reporting*), with respect to any report, information or document, or otherwise to deliver any notice, certificate or other document, as applicable, even though such delivery is not within the prescribed period specified in the Facilities Agreement or any other Finance Document shall be deemed to be cured upon the delivery of any such report, information, notice, certificate or other document, as applicable, even though such delivery is not within the prescribed period specified in the Facilities Agreement or any other Finance Document;
- (c) determination of compliance with the Financial Covenants shall be made by reference only to the Relevant Financial Statements and the relevant Compliance Certificate and shall be made on the date of their delivery and, for the avoidance of doubt, no Default shall occur or be deemed to have arisen prior to their delivery (including for purposes of paragraph 9 (*No default*) of Annex 2 (*Representations*) and sub-paragraph (e) of paragraph 19 (*Financial Reporting*) and otherwise under the Finance Documents), (without prejudice to any Default which might arise insofar as it relates to non-compliance with timing for the actual delivery of the Relevant Financial Statements and the Compliance Certificate but subject always to paragraph (b) above), and (without prejudice) to the right to provide an equity cure as set out in Annex 1 (*Financial Covenants*) where such determination shows non-compliance of any Financial Covenant for any Relevant Period, any such non-compliance shall not constitute an Event of Default at any time prior to the cure period; and
- (d) a Default (including an Event of Default and a Certain Funds EoD) will be "**remedied**" (and cease to be continuing) where the underlying circumstances giving rise to that Default cease to exist or where actions have been taken which have addressed such underlying circumstances in each case with the effect that those underlying circumstances (after giving effect to the taking of such actions) would no longer constitute a Default (including an Event of Default and a Certain Funds EoD).

If one or more Refinancing Loans are to be made available to any Borrower on the same day that one or more maturing Loans falls due for prepayment or repayment by such Borrower and if the Company, the Facility Agent (acting on the instructions of any relevant Lender in respect of the maturing Loans) and the relevant lender(s) (in respect of the Refinancing Loans) so agree, the aggregate amount of the Refinancing Loans shall be treated as if applied in or towards prepayment or repayment of the maturing Loans. A Finance Party may, at any time while an Event of Default is continuing, or if a notice has been delivered by the Facility Agent pursuant to the relevant acceleration provisions of the Facilities Agreement, set-off any matured obligation due from an Obligor under the Finance Documents (to the extent beneficially owned by that Finance Party) against any matured obligation owed by that Finance Party to that Obligor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off. The Facilities Agreement shall include customary bail-in language.

28. Amendments & Waivers:

Majority Lender decisions in respect of the Finance Documents (other than any Fee Letter, the Syndication Letter and any side agreement or arrangement to which Group Member(s) and Finance Parties are party, which may be amended or waived in accordance with their terms) shall require the approval of the Majority Lenders. Unanimous Lender decisions limited to the following (in each case, other than as a result of an Affected Lender Decision):

- (a) any change to the Majority Lenders clause, *pro rata* sharing clause, partial payments clause, several liability clause, 85% super majority clause, amendments clause and Affected Lender Decisions concept (and all related definitions);
- (b) any change to the governing law and jurisdiction clause or the illegality mandatory prepayment clause;
- (c) any provision which expressly requires the consent of all the Lenders;

- (d) change to provisions relating to the relevant Lenders' rights and obligations between themselves and transfers by the relevant Lenders;
- (e) the introduction of any additional tranche or facility ranking senior to the Facilities, and any amendment to the priority or subordination in the Intercreditor Agreement (other than as a result of the establishment of an Incremental Facility or the introduction of a further tranche (or the increase of commitments in respect of an existing tranche) ranking *pari passu* or junior to the Facilities where agreed to by all the Lenders) or the manner in which the proceeds of enforcement of any Transaction Security created pursuant to any Security Document are distributed (other than as a result of the introduction of an Incremental Facility or a further tranche (or the increase of commitments in respect of an existing tranche) ranking *pari passu* or junior to the Facilities where agreed to by all the Lenders);
- (f) any change to the Exit Event definition or Exit Event mandatory prepayment clause or the IPO Proceeds mandatory prepayment clause; or
- (g) any change to an Obligor (in each case without prejudice to the provisions below regarding release of guarantees and Transaction Security) other than in accordance with the Facilities Agreement.

An Affected Lender Decision shall not be made without the prior consent of the Majority Lenders and each Lender that is participating in that existing or additional tranche or facility or increasing, extending or re-denominating its commitments or, as applicable, extending or redenominating or reducing any amount due to it, in each case as contemplated within the definition of Affected Lender Decision. Any amendment or waiver of the Financial Covenants or any definition referred to therein solely for the purposes of such provisions may be and shall only be made with the consent of the Majority Lenders. The Facility Agent may at any time without the consent or sanctions of the Lenders, concur with the Company in making any amendments to and/or granting any waivers in respect of any term of any relevant Finance Document, if that amendment or waiver is to resolve ambiguities or inconsistencies; reflect changes of a minor, technical or administrative nature or manifest error; and **provided that** the Lenders are given prior notice of such amendment. Any such modification shall be made on such terms as the Facility Agent may determine, shall be binding upon the Lenders, and shall be notified by the Company to the Lenders as soon as practicable thereafter and making such amendments to the Facilities Agreement as required to effect any agreement between any Lender and the Company pursuant to any Incremental Facility. A Request that relates in any material respect to the rights or obligations of the Facility Agent, a MLAB or the Security Agent may not be effected without the consent of the Facility Agent, that MLAB or the Security Agent. A Request which affects the order of priority and ranking in relation to a Hedging Bank may not be effected without the consent of that Hedging Bank. Any Lender may (with the prior consent of the Company) elect to:

- (a) unilaterally waive, relinquish or otherwise irrevocably give up all or any of its rights under any Finance Document,
- (b) extend the date for payment of any amount payable to it (including the amortisation schedule or the maturity date of its Loans);
- (c) (without prejudice to this paragraph) consent to or reject any amendment in relation to the MFN Rate and the additional consent of any specified threshold of Lenders shall not be required and following such a request, the Facilities Agreement will be amended such that only those Lenders who have accepted such change will be subject to such amended provisions; the Facility Agent and the Security Agent will, on the request of and at the cost of the Company, each be irrevocably authorised and instructed by each Finance Party to execute any such amendment and/or take such action on behalf of the Finance Parties; and/or
- (d) waive all or part of its share of any prepayment to be made in accordance with paragraph 17 (*Voluntary prepayment*) or 18 (*Mandatory Prepayment*);

in each case, without the consent of any other Lender or, as the case may be, other Finance Party.

Any determination by the Facility Agent or the Security Agent in relation to whether the documents and other evidence required to be delivered pursuant to paragraph 11 (*Conditions Precedent*), paragraph 21 (*Guarantors*) of Annex 3 (*Covenants*), any Conditions Subsequent or in connection with the granting of additional Transaction Security or the accession of any additional Obligors or any other deliverable under any Finance Document has been delivered to it in agreed form or, in a satisfactory form and substance or in connection with the form and substance of any additional Transaction Security required to be granted by any Finance Document (and/or the form and substance of any legal opinion provided in connection therewith) or the equivalency thereof when compared to any existing Transaction Security shall, in each case, be made on the instructions of the Majority Lenders (in each case acting reasonably) and the Facility Agent's or the Security Agent's designation as agreed form or confirmation as to the satisfactory nature of such conditions, and the Majority Lenders' instruction of such designation or satisfaction, will not be unreasonably withheld or delayed. and shall at all times be subject to the terms of the CP Satisfaction Protocol.

Any Finance Party (not being an Excluded Lender) or its permitted assignee or transferee that has expressly not consented or not agreed to a Request shall always have the right to change or revoke their decision and subsequently deliver to the Facility Agent a consent or agreement to such Request at any time (and the Company may extend the period for which the vote and request process is open for consents and acceptances for such Finance Party, irrespective of whether the period has expired or not). If at any time any Lender is or becomes a Replaceable Lender, then the Company may at any time whilst that Lender continues to be a Replaceable Lender, on five Business Days' prior written notice to the Facility Agent and such Replaceable Lender (a "**Replacement Notice**") replace such Replaceable Lender by requiring such Replaceable Lender to (and such Replaceable Lender shall) transfer all of its rights and obligations under the Finance Documents (or, in the case of a Non-Consenting Lender, such portion of its rights and obligations under Finance Documents in respect of which it is a Non-Consenting Lender) to a Lender or another person selected by the Company (a "**Replacement Lender**"). To the extent that such Replaceable Lender's (other than an Illegal Lender's) participation in the Utilisations has not been transferred pursuant to the foregoing on the last day of the first Interest Period (relating to such Utilisations) which ends after the Company delivered a Replacement Notice (or, if earlier, the date specified by the Company in that Replacement Notice) the relevant Borrower shall repay that Replaceable Lender's participation (or in the case of any Non-Consenting Lender, such portion of its rights and obligations under the Finance Documents in respect of which it is a Non-Consenting Lender) in such Utilisations, in each case, together with all interest thereon and other amounts accrued under the Finance Documents in relation thereto **provided that** the Company may, at its election, increase the total commitment amounts with respect to such cancelled commitments. The commitments of any Excluded Lender shall not be included for the purpose of calculating the total commitments under the relevant Facilities when ascertaining whether any relevant percentage (including, for the avoidance of doubt, unanimity) of total commitments has been obtained to approve that request and its status as a Lender shall be disregarded for the purpose of ascertaining whether the agreement of any specified group of Lenders has been obtained to approve that request.

A release of any guarantees or Transaction Security will require the consent of 85% of the Lenders by commitments under the Facilities Agreement other than where the release is:

- (a) conditional upon prepayment in full of the Facilities and the payment of all other amounts then due and payable under the Finance Documents;
- (b) required to effect a Permitted Disposal or a Permitted Transaction or an Affected Lender Decision or the implementation of other actions permitted under the Finance Documents or grant of Permitted Security (other than over shares or equity interests in a Material Subsidiary): or
- (c) pursuant to a resignation of a Group Member as a Guarantor in accordance with the

Guarantor resignation provisions to be set out in the Facilities Agreement,

and in each case, the Security Agent shall be authorised to release such guarantees or Transaction Security constituted by a Finance Document without requiring further approval from any Finance Party.

29. **Transfers:**

Following the expiry of the Syndication Period, Lenders shall be able to enter into a Debt Purchase Transaction (each, a "**Transfer**") subject to the Company's prior consent (not to be unreasonably withheld), which will be deemed to be given after 5 Business Days after the existing Lender notifies the Company (and, for so long as the Investors retain an ownership interest in the Company, the individual(s) specified by the Sponsor or such other persons notified by the Company to the Facility Agent in writing) in writing of the proposed Transfer if no objection has been made by 11:59 p.m. (Hong Kong time) on the last day of such period **provided that** no such consent shall be required if a Key EoD is continuing or if the Transfer is to (a) an Approved Lender, (b) an existing Lender, (c) an Affiliate of a Lender or a related fund, in each case, (other than where a Key EoD has occurred and is continuing (in which case the Company shall be notified within 5 Business Days thereof)) excluding a Competing Lender or any Distressed Investor, or (d) is a Participation (Non-Voting) and **provided further that** the existing Lender (or Participant) immediately following the Transfer has commitments which are nil or aggregate no less than HK\$50,000,000 (or its equivalent) and the new Lender (or Participant) has commitments which aggregate no less than HK\$50,000,000 (or its equivalent). Except for the above, no Lender may assign or transfer any of its rights and/or obligations under any Finance Document or otherwise enter into any Transfer. If a Transfer takes place other than in accordance with the provisions of the Facilities Agreement, that Transfer shall be void and deemed not to have occurred. A new Lender shall be bound by any consent, waiver, election or decision given or made by the relevant existing Lender in respect of the relevant interests and obligations under or pursuant to any Finance Document prior to the coming into effect of the relevant Transfer to such new Lender. No Obligor shall bear any Tax or increased cost (including under Tax and increased costs provisions) that arises because of a Transfer (or change in lending/facility office by a Lender) or that would not have arisen had a Transfer (or a change in lending/facility office by a Lender) not occurred. All costs and expenses in connection with any Transfer (including any costs and expenses associated with any Transaction Security) shall be borne by the existing Lender or the new Lender, as the case may be. The Facility Agent shall provide a list of the holders of the Facilities semi-annually to the Company and otherwise on request by the Company. Debt Purchase Transactions will not be permitted by Group Members. Debt Purchase Transactions will be permitted by Restricted Persons (other than Group Members) subject to customary provision for the disenfranchisement of any voting rights and exclusion of the right to notice of participation in meetings, receipt of reports and information. In addition, any new Lender or new Participant shall confirm in its respective assignment agreement, transfer certificate or Participation agreement that it is not a Replaceable Lender and that it agrees to immediately notify the Company and the Facility Agent upon its becoming a Replaceable Lender (or in the case of a Participation, notify the grantor of that Participation, in which case such grantor shall in turn immediately notify the Company and the Facility Agent).

30. **Insolvency of a Finance Party:**

Provisions will be included in the Finance Documents to address the position of a Finance Party which is insolvent or which fails to perform its funding obligations under the Finance Documents as and when required or which has repudiated any of its obligations under any Finance Document (each a "**Defaulting Finance Party**"). These will include the following provisions:

- (a) no commitment fee (or other fee (including any arrangement or upfront fee) or break costs) will be payable to a Defaulting Finance Party;
- (b) the Company will be entitled to cancel the available commitments of the Defaulting Finance Party;
- (c) the Company will be entitled to require the transfer of the commitment and/or participation of a Defaulting Finance Party to another entity identified by the Company, or may cancel the relevant commitment and/or repay the relevant commitment and/or

participation at par;

- (d) a Defaulting Finance Party will not be entitled to vote and its commitment and participation will be disregarded in determining the result of any vote;
- (e) the Company will be entitled to provide cash collateral in respect of a Defaulting Finance Party's portion of any letter of credit to be issued following such insolvency or financial difficulties in order to facilitate the issuance of such letter of credit;
- (f) if the Defaulting Finance Party is the Facility Agent or the Security Agent, the Company or the Majority Lenders will be entitled to require the appointment of a new Facility Agent or Security Agent in its place, without the cooperation of the existing Facility Agent or Security Agent; and
- (g) if the Defaulting Finance Party is providing hedging, the Company will be entitled to terminate such hedging arrangements and will be granted 120 Business Days to replace such hedging arrangements (if required).

31. Governing Law & Jurisdiction:

Hong Kong law or, in relation to any Security Document, the relevant local law. The jurisdiction of the courts of Hong Kong (or the courts of the relevant local jurisdiction, as the case may be) is non-exclusive and for the benefit of the Finance Parties only.

ANNEX 1 FINANCIAL COVENANTS

The following financial covenants shall only be tested on each Quarter Date (save that the Capital Expenditure limit shall be tested annually) (each such testing date, a "**Test Date**") commencing on (in the case of the Leverage Ratio) 30 November 2021 (the "**First Test Date**") and (in respect of Interest Cover Ratio and the Capital Expenditure) 28 February 2022:

Leverage Ratio: The Company shall ensure that the Leverage Ratio for the Relevant Period ending on each Test Date set out in the table below will not exceed the ratio set out in the relevant column in the table below opposite that Test Date:

Test Date	Leverage Ratio
First Test Date.....	3.90:1
First Test Date plus 3 months	3.60:1
First Test Date plus 6 months	3.60:1
First Test Date plus 9 months	3.60:1
First Test Date plus 12 months.....	3.60:1
First Test Date plus 15 months.....	3.10:1
First Test Date plus 18 months.....	3.10:1
First Test Date plus 21 months.....	3.10:1
First Test Date plus 24 months.....	3.10:1
First Test Date plus 27 months.....	2.60:1
First Test Date plus 30 months.....	2.60:1
First Test Date plus 33 months.....	2.60:1
First Test Date plus 36 months.....	2.60:1
Each Test Date thereafter.....	2.25:1

Interest Cover Ratio: The Company shall ensure that the Interest Cover Ratio for the Relevant Period ending on each Test Date will not be less than 4.00:1.

Capital Expenditure: The Company shall ensure that Capital Expenditure of the Group during each Financial Year specified in the table below shall not exceed the aggregate of the amount set opposite that Financial Year in the table below (excluding, in each case any Capital Expenditure funded or reimbursed from any Equity Injection (Post-IDD):

Financial Year	HK\$
28 February 2022	199,000,000
28 February 2023	145,000,000
29 February 2024	121,000,000
28 February 2025	121,000,000
28 February 2026	133,000,000

Subject to the following, up to 100% of the Capital Expenditure amount specified (as increased pursuant to the following provisions) for the corresponding Financial Year in the table above which is unspent in that Financial Year (the "**Preceding Year**") may be carried over (such amount the "**Carry Forward Capex**") into (and shall be deemed to be spent last in) the immediately subsequent Financial Year only (the "**Subsequent Year**"). Up to 100% of the Capital Expenditure amount from any Subsequent Year may be carried back to the relevant Preceding Year with a corresponding reduction for that Subsequent Year. Any Group Member may elect to utilise all or any of the Capital Expenditure permitted pursuant to the foregoing for each Financial Year by way of a Capex Acquisition.

Equity Cure: No Event of Default will occur under paragraph 2 of Annex 4 (*Events of Default*) (and will be deemed to automatically be cured for all purposes under the Finance Documents) if after the end of the Relevant Period (the "**Breach Period**") and no

later than the date falling 20 Business Days after the earlier of the date on which the relevant Compliance Certificate is required to be delivered and the date on which the relevant Compliance Certificate is actually delivered and **provided that** such Compliance Certificate is accompanied by (or includes) a notice of intent to cure from the Company (a "**Cure Notice**"), if the Company has received the proceeds of any Equity Injection (Post-IDD) (the "**Cure Amount**") during that 20 Business Day period then the Financial Covenants will be tested or, as applicable, retested by giving effect to the following adjustments:

- (a) (for the purpose of calculating the Leverage Ratio) the Cure Amount shall (at the Company's sole direction) either be added to Consolidated EBITDA for the last Financial Quarter of the Breach Period ("**EBITDA Cure**") or deducted from Total Debt on the last day of the Breach Period; and
- (b) (for the purpose of calculating the Interest Cover Ratio) the Cure Amount shall (at the Company's sole discretion) either be applied as an EBITDA Cure or applied towards re-determination of Net Interest Expense in respect of such Breach Period as if the Cure Amount had been applied towards voluntary prepayment of the Facilities (in such order as the Company may specify) on the first day of such Breach Period ("**Interest Cure**").

Where a Cure Amount is received by the Company in respect of any Breach Period, then in respect of each Relevant Period ending on a Test Date that falls less than 12 Months after the last day of such Breach Period (such Relevant Period being a "**Subsequent Relevant Period**" relating to such Breach Period):

- (a) if the Company has elected EBITDA Cure in respect of such Breach Period, then for the purposes of calculating the Leverage Ratio and the Interest Cover Ratio for such Subsequent Relevant Period, the Consolidated EBITDA for such Subsequent Relevant Period shall be deemed to be increased by the amount of such Cure Amount; and
- (b) if the Company has elected Interest Cure in respect of such Breach Period, then for the purposes of calculating Interest Cover Ratio for such Subsequent Relevant Period, the Net Interest Expense for that part of such Subsequent Relevant Period that overlaps with such Breach Period shall be calculated on the basis as if such Cure Amount had been applied towards voluntary prepayment of the Facilities (in such order as the Company may specify) on the first day of such Subsequent Relevant Period, and Net Interest Expense for that part of such Subsequent Relevant Period (that overlaps with such Breach Period) shall be re-determined accordingly (without double counting for any reduction in Net Interest Expense that actually resulted from any prepayment of the relevant Cure Amount required hereunder).

The Company shall not be entitled to exercise any rights it may have to prevent or cure breaches of Financial Covenants on more than four occasions (**provided that** no more than one occasion may be applied as an EBITDA Cure) over the life of the Facilities or in consecutive Financial Quarters (without prejudice to a relevant Cure Amount continuing to be included in any Subsequent Relevant Period). Any Cure Amount so provided may exceed the amount required to rectify a breach of the Event of Default under paragraph 2 of Annex 4 (*Events of Default*) at the Test Date.

No Cure Amount shall count towards any other permission, calculation or usage under the Facilities Agreement or fund, directly or indirectly, a Permitted Distribution to the Investors or the Parent **provided that** (without double counting) Cure Amounts shall constitute cash on balance sheet of the Group (including without doubting counting for cash netting purposes in any financial calculation). If a Cure Notice has been delivered, no Default or Event of Default shall be deemed to be continuing unless and until the cash proceeds of the Cure Amount are not received in accordance with the paragraph (*Equity Cure*). The Company shall redeliver the relevant Compliance Certificate showing the application and receipt of the relevant Cure

Amount. The Company shall ensure that an amount equal to 50% of the Cure Amount required to rectify a breach of the relevant Financial Covenant is applied promptly in prepayment of the Loans with such amount being applied in the same manner as a mandatory prepayment.

Calculations & Definitions

The Financial Covenants shall be calculated on a consolidated basis in accordance with the Original Accounting Principles unless the Company has elected pursuant to sub-paragraph (b)(ii) of paragraph 19 (*Financial Reporting*) to negotiate amendments to the Facilities Agreement (subject to the proviso therein for so long as no agreement is reached) in which case, the Financial Covenants shall be calculated on the basis of the agreed amendments and shall be tested by reference only to (except as needed to reflect the terms of this Annex 1 (*Financial Covenants*)) each set of Relevant Financial Statements and each relevant Compliance Certificate delivered with those Relevant Financial Statements. For the purpose of this section, no item shall be included or excluded more than once in any calculation. If, on any Test Date, the Company fails to comply with a Financial Covenant, the Event of Default caused by the failure to meet the Financial Covenant shall be deemed to be waived and remedied by compliance with that Financial Covenant on a following Test Date for all purposes under the Finance Documents unless the Acceleration Date has occurred prior to the delivery of the Relevant Financial Statements and related Compliance Certificates in respect of such Test Date demonstrating compliance with the Financial Covenants on such Test Date. Other than for the purposes of Total Debt and Net Debt, an amount outstanding or repayable on a particular day in a currency other than HK\$ shall on that day be taken into account in the HK\$ equivalent at the rate of exchange that would have been used had an audited consolidated balance sheet of the Group been prepared as at that day in accordance with the Accounting Principles. For the purposes of Total Debt, Net Debt and Net Interest Expense in respect of any Relevant Period, the exchange rates used in the calculation of Total Debt, Net Debt and Net Interest Expense shall be, with respect to:

- (a) Financial Indebtedness for which the Group has entered into Treasury Transactions, the rate at which such Treasury Transactions have been entered into but only to the extent of the notional amount of such Treasury Transactions; and
- (b) all other Financial Indebtedness, the exchange rates used for determination of Consolidated EBITDA for that Relevant Period or if there is no such rate, the rate used in the relevant financial statements of the Company.

In respect of any Relevant Period, the exchange rates used in the calculation of Consolidated EBITDA shall be the weighted average exchange rates for the Relevant Period as determined by the Company in accordance with the Accounting Principles. To the extent that any period prior to the IDD is included in any Relevant Period when calculating the Financial Covenants:

- (a) all references to the Group shall be deemed to be references to the Brand Business;
- (b) (for the purposes of calculating the Leverage Ratio and the Interest Cover Ratio) Consolidated EBITDA for the period until the IDD shall be the actual EBITDA of the Brand Business
- (c) (for the purposes of calculating the Interest Cover Ratio) Net Interest Expense prior to the IDD shall be excluded.

For the purpose of any calculation of the Financial Covenants, Margin and Most Recent Leverage there shall be:

- (a) included in determining Consolidated EBITDA for any period (including the portion thereof occurring prior to the relevant acquisition):
 - (i) EBITDA for the period of any person, property, business or material fixed asset acquired and not subsequently sold, transferred or otherwise disposed of by any Group Member (other than an asset constructed, acquired or added and taken into account pursuant to paragraph (c) below) during such period (each such person, property, business or asset acquired and not subsequently disposed of an "**Acquired Entity or Business**"); and
 - (ii) an adjustment in respect of each Acquired Entity or Business acquired during such Relevant Period equal to the Synergies with respect to such Acquired Entity or Business, such that 100% of the Synergies with respect to such Acquired Entity or Business shall be included, **provided that**, to the extent that such Synergies have actually been achieved (and therefore have already been included in

Consolidated EBITDA), there shall be no such adjustment in relation to any such amount of Synergies;

- (b) excluded in determining Consolidated EBITDA for any period the EBITDA for that period of any person, property, business or material fixed asset sold, transferred or otherwise disposed of by any Group Member during such period (including the portion thereof occurring prior to such sale, transfer, disposal or conversion); and
- (c) excluded in determining Consolidated EBITDA for any period, the impact of any Acquisition Reconciliation.

The definitions of "Total Debt", "Net Debt" and "Net Interest Expense" shall be adjusted to give pro forma effect to any related incurrence, assumption or repayments of Financial Indebtedness (including any reduction in Total Debt and Net Debt from the proceeds of any asset sales) arising from any acquisitions, investments and any Disposals if a related adjustment has been made to Consolidated EBITDA. To the extent any Financial Covenant or any definition in this Annex 1 (*Financial Covenants*) is used as the basis (in whole or part) for permitting any transaction or making any determination under the Finance Documents at any time after the relevant Test Date, Total Debt and Net Debt shall be reduced to take into account any repayment of Financial Indebtedness made on or before the next relevant Test Date and shall be increased to take into account any incurrence or assumption of Financial Indebtedness made on or before the next relevant Test Date including, in each case, taking into account the effect of any applicable refinancing and the application of all relevant proceeds thereof.

"Borrowings" means, at any time, the aggregate outstanding principal, capital or nominal amount of the Financial Indebtedness of Group Members determined on a consolidated basis other than:

- (a) any indebtedness or counter-indemnity obligations referred to in paragraph (g) or (i) of Financial Indebtedness;
- (b) any guarantee in respect of the indebtedness referred to in paragraph (a) above;
- (c) the amount of any liability in respect of any post-employment benefit scheme liabilities, pension obligations or severance liabilities of the Group;
- (d) any Parent Debt or any Financial Indebtedness subordinated to the satisfaction of the Majority Lenders (acting reasonably);
- (e) any Financial Indebtedness represented by shares (except for shares redeemable mandatorily or (following election to do so) at the option of the holder on or before the date falling six Months after the Final Maturity Date unless the holder has acceded to the Intercreditor Agreement to subordinate any liabilities arising under or in connection with such shares to the rights of the Finance Parties) and any non-redeemable preference shares issued under any Permitted Management Transaction;
- (f) any indebtedness which is secured or supported by cash collateral given by any Group Member (only to the extent of such cash collateral);
- (g) any such obligations to any other Group Member;
- (h) in relation to the minority interests line in the balance sheet of any Group Member;
- (i) any indebtedness under any Excluded Finance Lease;
- (j) any indebtedness or counter-indemnity obligations referred to in paragraphs (c) of the definition of Permitted Financial Indebtedness;
- (k) any such obligations in respect of any reinstatement costs of leased Real Property;
- (l) all other contingent liabilities under a guarantee, indemnity, bond or letter of credit unless the underlying liability covered by such instrument has become due and payable and remains unpaid
- (m) arising under any Bills Payable Arrangement; and
- (n) any entrustment loan made by any bank or financial institution to a PRC Group Member where such loan is made by such bank or financial institution out of amounts deposited by another PRC Group Member with such bank or financial institution in the Ordinary Course.

"Consolidated EBITDA" means, in relation to any period, the total consolidated operating profit of the Group from ordinary activities for that period:

- (a) before taking into account:
 - (i) any interest, commission, fees, discounts and other finance charges (including arrangement, underwriting, upfront and participation fees, agency fees, repayment or prepayment premia and similar fees and costs) incurred, payable, capitalised or owed by any Group Member, or any amortisation of any of the foregoing, and any deemed finance charge or cost and expense in respect of any post-employment benefit scheme liabilities or other provisions;
 - (ii) any accrued interest owing or paid to any Group Member;
 - (iii) any Tax paid, payable or accruing for payment by any Group Member or any charge in respect of deferred Tax;
 - (iv) Transaction Costs and any Permitted Acquisition Costs paid by a Group Member;
 - (v) any management, monitoring or advisory fees paid to any Investor, Sponsor, the Founder or any of its Affiliates and holding company costs as a Permitted Distribution;
 - (vi) any Exceptional Items (including any non-cash losses resulting from any Permitted Transaction or any restructuring costs that are incurred pursuant to a Permitted Transaction) or any amounts payable by the Brand Business on or after the IDD in relation to any under contributed statutory social benefit, housing fund or social insurance or penalties in respect of any late tax returns in respect of any period prior to the IDD;
 - (vii) any unrealised gains or losses in respect of any Treasury Transaction;
 - (viii) all depreciation and amortisation (including acquisition goodwill) and impairment or write-down of assets of the Group (including amortisation, impairment or write-down of any goodwill, intangible asset or equity investment arising on any Permitted Acquisition or of any Transaction Costs); and
 - (ix) management fees, dividends or royalties payable by a Group Member to another Group Member;
- (b) before deducting the amount of any profit (or adding back the amount of any loss) of any Group Member which is attributable to minority interests (held or owned by a Non- Group Member) in that Group Member;
- (c) plus (without double counting) dividends or other profit distributions (net of any Tax withheld) received or receivable in cash by any Group Member during that Relevant Period from Non-Group Entities;
- (d) after taking into account any realised gains and losses on operational trading and hedges relating to these items but not taking into account any unrealised gains and losses (including those arising on translation of currency debt);
- (e) before taking into account any gain arising from any Debt Purchase Transaction;
- (f) plus any fees, costs or charges of a non-recurring nature related to any equity offering, investments, acquisitions, disposals or Financial Indebtedness (in each case, whether or not successful);
- (g) before taking into account any gains or losses on the disposal or revaluation of assets (other than in the ordinary course of trading);
- (h) plus any amounts that are paid or accrue during that Relevant Period under business interruption (or similar loss of revenue) insurance in respect of lost earnings (or its equivalent);
- (i) before taking into account any Exceptional Other Operations Cost or Transition Cost; and
- (j) (other than to the extent relating to or as a result of the Restructuring) before taking into account any restructuring charges or costs, any costs (including severance payments) related to director, officer or employee termination (and any related costs in connection with any replacements), any costs (including salaries and benefits) related to directors, officers or employees which are required to be incurred or paid pursuant to a Permitted Acquisition (or any related documentation) for the duration of the transition period

specified therein (if any), closings of facilities, relocation or expansion of headquarters or plant, property and equipment, branding or re-branding of existing businesses or products and actual or initial integration costs due to a Permitted Acquisition (including audit costs for the first Financial Year following a Permitted Acquisition or costs for establishing or replacing information technology systems) or any costs associated with changing accounting standards,

in each case (other than paragraph (k) above), only to the extent added, deducted or taken into account, as the case may be, for the purposes of determining the total consolidated operating profit of the Group from ordinary activities for that period.

"Exceptional Items" means any exceptional, one-off, non-recurring or extraordinary items or other items of an unusual or non-recurring nature that represent gains or losses, including those arising from:

- (a) the restructuring of the activities of an entity and reversals of any provisions for the cost of restructuring;
- (b) disposals, revaluations or impairment of non-current assets;
- (c) disposals of assets associated with discontinued operations; and
- (d) items giving rise to Proceeds.

"Excess Cashflow" means, for any Financial Year, Consolidated EBITDA for that Financial Year:

- (a) adding the amount of any decrease (and deducting the amount of any increase) in working capital during such Financial Year;
- (b) less debt service (including any interest or other finance charge) paid during such Financial Year;
- (c) less any mandatory prepayments or voluntary prepayments of facilities paid during such Financial Year;
- (d) plus Exceptional Items actually received in cash during such Financial Year (to the extent not included in calculating Consolidated EBITDA) other than to the extent they constitute Proceeds, Excluded Proceeds, De Minimis Proceeds and less Exceptional Items actually paid in cash during such Financial Year (to the extent not included in calculating Consolidated EBITDA) and that are not required to be applied in mandatory prepayment of the Facility;
- (e) less all amounts in respect of annual employee bonuses accrued in the relevant Financial Year but where payment of the same is due in the following Financial Year, plus all amounts in respect of annual employee bonuses deducted from the calculation of Excess Cashflow for the immediately preceding Financial Year pursuant to this paragraph to the extent not spent in that Financial Year;
- (f) less any amounts that are paid or accrue during such Financial Year in favour of any Group Member under business interruption insurance in respect of lost earnings (or its equivalent);
- (g) less all amounts paid during such Financial Year in cash by the Group in respect of any Capital Expenditure, Permitted Business Acquisition or Permitted JV;
- (h) minus cash payouts of pension costs and severance liabilities during such Financial Year;
- (i) minus amounts paid in cash during such Financial Year by the Group in respect of Tax and plus amounts received in cash during such Financial Year by the Group in respect of any credit or rebate of Tax;
- (j) plus any Distributions received (net of Tax withheld) by any Group Member from any Non-Group Entity during such Financial Year and deducting Distributions paid to any Non-Group Entity during such Financial Year by a Group Member (other than the Company);
- (k) minus any Permitted Distribution (other than paragraph (g) of the definition of Permitted Distribution) by the Company paid in cash during such Financial Year;
- (l) minus (to the extent not taken into account in any other paragraph of this definition) all non cash credits and plus all non cash debits and other non cash charges included in establishing Consolidated EBITDA (other than to the extent already taken into account in movements in working capital) during such Financial Year;

- (m) excluding (to the extent included in calculating Consolidated EBITDA or in any other paragraph of this definition) the effect of all cash movements associated with the Scheme or the Restructuring, any transactions expressly contemplated in the Structure Report and any Transaction Costs and any Permitted Acquisition Costs or in respect of any Debt Purchase Transaction paid by a Group Member;
- (n) less all Transaction Costs or any Permitted Acquisition Costs paid by Group Members during such Financial Year;
- (o) less any Pending Amount in respect of that Financial Year, plus any Pending Amount already subtracted from Excess Cashflow in respect of the previous Financial Year and which has not been utilised;
- (p) to the extent included in Consolidated EBITDA, less any amount received by way of Equity Injection (Post-Closing) during such Financial Year;
- (q) minus any fees, expenses or charges of a non recurring nature paid in cash in relation to any equity or debt securities offering, investment, acquisition, disposal or indebtedness (whether or not successful) during such Financial Year;
- (r) less any portion of the Consolidated EBITDA for such Financial Year that is attributable to any after Tax profit of any Group Member which is attributable to minority interests or the interests of any shareholder of or, as the case may be, partner in such Group Member who is not a Group Member;
- (s) less any cash costs suffered by, or any cash payments made or payable by, a Group Member in connection with any event or circumstance or item referred to in paragraph (i) or (j) of the definition of "Consolidated EBITDA" during such Financial Year;
- (t) less any Carry Forward Capex for such Financial Year; and
- (u) plus interest, dividends or other income received in cash from Cash Amounts during such Financial Year,

and so that no amount shall be added (or deducted) more than once for or during such period and on a consolidated basis and without double counting (including such items already counted in the definition of Consolidated EBITDA) and **provided that** Excess Cashflow shall not be less than zero and the Company may (at its sole discretion) elect to disapply any of the foregoing to the extent it would otherwise reduce Excess Cashflow.

"Exceptional Other Operations Cost or Transition Cost" means, in relation to the Restructuring and/or the subsequent transitional arrangements, in each case for the period up to the date falling 18 Months after the Second Carve-Out Completion Date:

- (a) any non-recurring current or historic cost relating to the Other Operations Business;
 - (b) any non-recurring transitional arrangement costs;
 - (c) any exceptional Brand Operations costs incurred on a one-off or non-recurring; and/or
 - (d) one-off carve-out related advisory costs captured under the one-off separation capital expenditure,
- (in the case of paragraphs (a), (b) and (c) above) only to the extent such item or quantum of the relevant item is not contemplated by the Model, in an aggregate amount not exceeding HK\$50,000,000 (or its equivalent).

"Interest Cover Ratio" means for any Relevant Period, the ratio of Consolidated EBITDA to Net Interest Expense.

"Leverage Ratio" means the ratio of Net Debt to Consolidated EBITDA.

"Net Debt" means, at any time, Total Debt minus the Cash Amounts held by any Group Member **provided that** Net Debt shall not be less than zero.

"Net Interest Expense" means, for any period, the aggregate amount of the accrued interest, commission, commitment or non-utilisation fees and other fees, discounts, premiums or charges and other finance payments, in each case in respect of Borrowings, paid or payable by any Group Member (calculated on a consolidated basis) in cash in respect of that period:

- (a) plus or minus net amounts payable or receivable by the Group accruing under the Hedging Documents or

other Treasury Transactions during that period other than any one-off cash payments, premia fees, costs or expenses in connection with the purchase of, or which arise upon maturity, close-out or termination of such interest rate hedging arrangements (but excluding, to the extent the same would otherwise be included, any amount (being an amount that would be accounted for as a gain or loss on derivatives) resulting from movements in the mark to market value of such Treasury Transaction);

- (b) excluding any upfront fees or upfront costs, waiver or amendment fees and any fixed or minimum premium payable on repayment or prepayment or any agency, arrangement, underwriting, amendment, consent or other front end, one-off or similar non-recurring fees (and any amortisation thereof) and any withholding taxes (or gross up obligation) on interest receivable, received, payable or paid;
- (c) including the interest (but not the capital) element of payments in respect of Finance Leases;
- (d) plus consideration given by the Group during that Relevant Period and relating to that Relevant Period, whether by way of discount or otherwise in connection with any acceptance credit, bill discounting, debt factoring or other like arrangement;
- (e) less interest income accrued (whether or not paid) for the account of a Group Member;
- (f) excluding any interest on Borrowings which by the terms of that Borrowing is capitalised to and including the final maturity date of that Borrowing;
- (g) excluding any amortisation of Transaction Costs or any Permitted Acquisition Costs;
- (h) excluding any interest cost or expected return on plan assets in relation to any post-employment benefit schemes (including fees, costs or any deemed finance charges or notional interest in relation to pension liabilities); and
- (i) excluding any interest in respect of obligations to any other Group Member and any Parent Debt, regardless of whether that interest is accrued or paid during the Relevant Period.

"Pending Amounts" means, in respect of any Financial Year (the **"Relevant Financial Year"**), the aggregate cash amounts projected to be paid in respect of the consideration (including any Deferred Consideration) for Permitted Business Acquisitions or Permitted JVs or any restructuring costs of the Group in connection with any Permitted Transaction, in each case for which a Group Member has entered into a legally binding commitment before the end of the Relevant Financial Year and completed (and the cash consideration or restructuring costs paid) by no later than the following Financial Year or where such cash amounts constitute Deferred Consideration.

"Permitted Acquisition Costs" means all costs, fees and expenses (and the Taxes on them) and all stamp duty, registration and other similar Taxes incurred by or on behalf of the Group and any of its Holding Companies in connection with any Permitted Acquisition and the negotiation, preparation, execution, notarisation and registration of related documentation together with all costs, fees and expenses (and the Taxes on them) incurred by the target entity or business (the subject of such Permitted Acquisition) or any of its Subsidiaries in connection with such Permitted Acquisition or related documentation (including any costs relating to the hedging arrangements of such target entity or business or any of its Subsidiaries).

"Relevant Period" means each period of four consecutive Financial Quarters ending on a Test Date.

"Total Debt" means, at any time, the aggregate principal amount of all obligations of Group Members in respect of Borrowings at that time:

- (a) excluding any such obligations to any other Group Member;
- (b) including, in the case of Finance Leases only, their capitalised value;
- (c) (to the extent included in calculating Borrowings) excluding the amount of any liability in respect of any credit for goods and services raised in the Ordinary Course which is being contested in good faith and in accordance with the relevant procedures; and
- (d) in the case of any obligation for or in respect of any Borrowings of any Group Member which is secured or supported by cash collateral given by a Group Member, deducting the amount of such cash collateral.

ANNEX 2 REPRESENTATIONS

Each Obligor (unless otherwise stated below) makes the representations and warranties set out in this Annex 2 (*Representations*) on the dates set out below to each Finance Party (in the case of any Obligor, only in relation to itself and, to the extent applicable to them, its Subsidiaries (if any)). Where the representations and warranties set out in this Annex 2 (*Representations*) are stated to be made by the Parent, such representation and warranty is made by the Parent in respect of itself only.

1. Status

It, each of its Material Subsidiaries and the Parent:

- (a) is a limited liability company or corporation, duly incorporated or organised, validly existing and (if applicable) in good standing under the law of its jurisdiction of incorporation or organisation; and
- (b) has the power to own its material assets and carry on its business substantially as it is being conducted.

2. Binding obligations

Subject to the Reservations and Perfection Requirements, the obligations expressed to be assumed by it and the Parent in each Finance Document to which it or the Parent is or will be (upon its execution thereof and the passing of applicable corporate resolutions) a party are legal, valid, binding and enforceable.

3. Non-conflict

The entry into and performance by it and the Parent, and the transactions contemplated by, the Finance Documents (and the granting of the Transaction Security) do not conflict with:

- (a) any law or regulation applicable to it or any of its Material Subsidiaries or the Parent in a material respect;
- (b) its or any of its Material Subsidiaries' or the Parent's constitutional documents in a material respect; or
- (c) any agreement or instrument binding upon it or any of its Material Subsidiaries or the Parent or any of its or any of its Material Subsidiaries' or the Parent's assets, in each case, to the extent that it has, or would reasonably be expected to have, a Material Adverse Effect.

4. Power & authority

- (a) It and the Parent has (or will have by the time of execution of the relevant Finance Document) the power to enter into, perform and deliver, and has taken (or will have taken prior to the relevant time) all necessary corporate action to authorise its or the Parent's entry into, performance and delivery of, the Finance Documents to which it or the Parent is or will be a party and the transactions contemplated by those Finance Documents.
- (b) No limit on its or the Parent's powers will be exceeded as a result of borrowing, granting the Transaction Security or giving of guarantees or indemnities to be granted by it or the Parent pursuant to any Finance Document.

5. Validity & admissibility

- (a) All Authorisations required by it or the Parent to:
 - (i) enable it or the Parent to lawfully enter into, exercise its or the Parent's rights and comply with and perform its or the Parent's obligations in the Finance Documents to which it is a party; and
 - (ii) make the Finance Documents to which it or any of its Subsidiaries or the Parent is a party enforceable and admissible in evidence in its Relevant Jurisdictions, subject to any applicable Reservations,

have been obtained or effected and, subject to the Reservations, are in full force and effect, save for

complying with any applicable Perfection Requirements, or (in the case of any Authorisation in connection with the Restructuring) will have been obtained or effected and will, subject to the Reservations, be in full force and effect before the IDD.

- (b) All Authorisations which are necessary for the conduct of the business, trade or ordinary activities of any Group Member have been obtained or effected and are in full force and effect where failure to obtain or maintain any of those Authorisations has, or would reasonably be expected to have, a Material Adverse Effect.

6. Governing law & enforcement

Subject to any applicable Reservations and the Perfection Requirements:

- (a) the choice of law specified in each Finance Document as the governing law of that Finance Document will be recognised and enforced in its and the Parent's jurisdiction of incorporation; and
- (b) any judgment obtained in relation to a Finance Document in the jurisdiction of the governing law of that Finance Document to which it or the Parent is a party will be recognised and enforced in its Relevant Jurisdictions and the Parent's jurisdiction of incorporation.

7. No filing or stamp Taxes

Under the law of its and the Parent's Relevant Jurisdictions it is not necessary that the Finance Documents be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration, notarial or similar Taxes or fees be paid on or in relation to the Finance Documents or the transactions contemplated by the Finance Documents (excluding any Transfers made pursuant to the Facilities Agreement), save, in each case, for complying with any applicable Perfection Requirements or the payment of any stamp duty, Tax or fee referred to in the Structure Report or any legal opinion delivered and addressed to the Facility Agent or the Security Agent in connection with any of the Finance Documents.

8. Deduction of Tax

The Borrower (as at the Signing Date only) is not required to make any deduction for or on account of Tax from any payment it may make under any Finance Document to a Finance Party other than to the extent contemplated in any Legal Opinion or in the Structure Report or as otherwise disclosed by the Company.

9. No default

- (a) No Event of Default is continuing (which has not been notified to the Facility Agent) or would reasonably be expected to result from the making of any Utilisation or the entry into, performance of, or any transaction contemplated by, any Finance Document.
- (b) To the Company's Knowledge, no other event or circumstance is outstanding which constitutes (or which would, with the lapse of time, the giving of notice, the making of any determination under the relevant document or any combination of the foregoing, constitute) a default or termination event (however described) under any other agreement or instrument which is binding on it or any of its Material Subsidiaries or to which its (of any of its Material Subsidiaries') assets are subject which has or would reasonably be expected to have a Material Adverse Effect.

10. No misleading information

Except as disclosed to the Facility Agent or the MLABs in writing prior to the Commitment Date, to the Company's Knowledge:

- (a) all the material factual information (other than information of a general economic nature) contained in the Information Package (taken as a whole) (the "**Information**") was true and accurate in all material respects (as at the date of the relevant Report or document containing the Information or (as the case may be) as at the date the Information is expressed to be given or prepared);
- (b) all expressions of opinion or intention specifically attributed to the Company or any other Group Member in the Information Package were made after careful consideration and (as at the date of the relevant document or report containing the expression of opinion or intention) were, in the reasonable

opinion of the Company, based on reasonable grounds (**provided that** nothing in this paragraph (b) shall require any Group Member to review or make any enquiry in relation to matters within the technical or professional expertise of the adviser preparing the relevant Report);

- (c) the financial projections and forecasts contained in the Model and the Information Memorandum (if any is actually prepared) (together the "**Projections**") have been prepared in good faith on the basis of recent historical information (to the extent available) and on the basis of assumptions believed to be reasonable by the Company (after careful consideration) at the time of preparation and have been prepared, where applicable, in accordance with the Accounting Principles (it being understood that the Projections are subject to significant uncertainties and contingencies many of which are beyond the control of the Group and that no assurances can be given that the Projections will be realised); and
- (d) no event or circumstance has occurred and the Information Package does not omit to disclose any matter where failure to disclose or take into account such event or circumstance would result in the information, opinions, intentions, forecasts or projections contained in the Information (taken as a whole) being untrue or misleading in any material respect.

11. **Financial statements**

Save for completion of Acquisition Reconciliation, its most recent Relevant Financial Statements give a true and fair view of (if audited) or fairly present in all material respects (if unaudited) (having regard to the fact that financial statements which are not audited are prepared for management purposes) of its consolidated financial position as at the end of the period to which they relate.

12. **Pari passu ranking**

Subject to any applicable Reservations, its payment obligations under the Finance Documents (except pursuant to a Debt Purchase Transaction) rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally.

13. **No proceedings**

No litigation, arbitration or administrative proceedings of or before any court, tribunal, arbitral body or agency or other forum, labour dispute or any investigations or actions by any government authority or organisation which (to the Company's Knowledge) are reasonably likely to be adversely determined and, if so adversely determined, would reasonably be expected to have a Material Adverse Effect have been started or threatened against it or any of its Subsidiaries.

14. **Security**

Subject to the Reservations and any applicable Perfection Requirements, each Security Document to which it or the Parent is a party creates (or, once entered into, will create), in favour of the Security Agent for the benefit of the Secured Parties, the Security which that Security Document purports to create and with the ranking and priority it is expressed to have, except for obligations mandatorily preferred by law applying to companies generally.

15. **Legal and beneficial ownership**

It and the Parent is (or in the case of the assets of the Brand Business, will from the IDD be) the absolute legal and beneficial owner of all the material assets over which it purports to create Security pursuant to any Security Document, free from any Security other than Permitted Security (or, in the case of legal ownership, will be upon payment of any applicable stamp duty, receipt of applicable certificates and/or the making of applicable registrations).

16. **Assets**

It and each of its Material Subsidiaries has (or will have from the IDD) good and marketable title to, or valid leases or licences of, or is otherwise entitled to use, all material assets necessary for the conduct of its business as it is substantially being, and is proposed to be, conducted, where failure to have such title, leases, licenses or entitlement would reasonably be expected to have a Material Adverse Effect.

17. Restructuring Documents

The Key Transaction Documents contain all the material terms of the arrangements between the Founder (and/or any of their respective Affiliates) and the Investors, any Holding Company of the Company and/or any Group Member (and/or any of their respective Affiliates) in connection with the completion of the Restructuring.

18. Group structure

To the Company's Knowledge, the Group Chart is true, complete and accurate in all material respects.

19. No prior business

As at any date on or prior to the IDD, neither the Parent nor the Company has traded, or carried on any businesses, incurred any material liability or obligation (actual or contingent, present or future) or entered into any contract, other than (in each case) in relation to the transactions contemplated by the Transaction Documents or any Permitted Holdco Activity.

20. No Financial Indebtedness, guarantees or Security

No Group Member has:

- (a) any Financial Indebtedness other than Permitted Financial Indebtedness;
- (b) issued any guarantee other than a Permitted Guarantee; and
- (c) any Security Form other than Permitted Security.

21. Shares

The shares of any Group Member which are expressed to be (or are required by the Facilities Agreement to be) or become subject to any Security under any Security Document are issued, fully paid, non-assessable and (upon enforcement of such Security) freely transferable and constitute shares in the capital of limited companies, and there are no moneys or liabilities outstanding or payable in respect of any such share (other than to the extent such restriction or inhibitions are required by applicable law or regulation).

22. Intellectual Property

- (a) The material Intellectual Property which is required in order to conduct the business of the Group:
 - (i) is beneficially owned by or licensed to Group Members on arm's length or better terms free from any licences to third parties; and
 - (ii) has not lapsed or been cancelled in any respect which has or would reasonably be expected to have a Material Adverse Effect and all steps have been taken to protect and maintain in full force and effect and preserve its ability to enforce such Intellectual Property, including paying renewal fees.
- (b) Neither it nor any Group Member has infringed any material Intellectual Property of any third party in any respect which would reasonably be expected to have a Material Adverse Effect.

23. Solvency

No corporate action, legal proceeding or other procedure or step described in paragraph 7 (*Insolvency proceedings*) of Annex 4 (*Events of Default*) or creditors' process described in paragraph 8 (*Creditors' process*) of Annex 4 (*Events of Default*), has been taken or, to such Obligor's Knowledge, threatened in writing in relation to the Parent, it or any of its Material Subsidiaries; and none of the circumstances described in paragraph 6 (*Insolvency*) of Annex 4 (*Events of Default*) applies to the Parent, it or any of its Material Subsidiaries.

24. No breach of law

It has not (and none of its Subsidiaries has) breached any applicable law which breach has, or would

reasonably be expected to have, a Material Adverse Effect.

25. Taxes

The Company and each Group Member has paid all Taxes required to be paid by it within the time period allowed for payment without incurring any material penalties for non-payment except for any Taxes:

- (a) being contested by the relevant Group Member in good faith and in accordance with the relevant procedures;
- (b) which have been or will be disclosed in its financial statements and for which adequate reserves are being maintained in accordance with the Accounting Principles; or
- (c) where payment can be lawfully withheld and failure to pay those Taxes does not have or would not reasonably be expected to have a Material Adverse Effect.

26. Environmental laws

It and each of its Material Subsidiaries has:

- (a) complied with all Environmental Laws to which it may be subject; and
- (b) no Knowledge of any circumstances that would reasonably be likely to prevent or materially interfere with such compliance under paragraph (a) above,

in each case, where failure to do so or such circumstances would have a Material Adverse Effect.

27. Sanctions

It is not (and no Group Member and, to its Knowledge, none of its or their respective officers, directors, employees or Affiliates is) the subject of any Sanctions or located, organised or resident in a country or territory that is the subject of Sanctions.

28. Anti-corruption and anti-money laundering

- (a) No Group Member has, nor has any director or officer associated with or acting on behalf of any Group Member, used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; or violated or is in violation of any provision of the Anti-Corruption Laws.
- (b) The operations of each Group Member are and have been, and its and their respective officers and directors have, conducted at all times in compliance with Anti-Money Laundering Laws and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving a Group Member with respect to Anti-Money Laundering Laws is pending and no such actions, suits or proceedings are threatened or contemplated.

Times when representations made:

The representations made or deemed to be made under the Finance Documents are made:

- (a) by each Obligor (and, where a representation is stated to be made by the Parent, by the Parent) on the Signing Date and the IDD except that:
 - (i) the representations set out in paragraph 10 (*No misleading information*) to the extent relating to the Information Memorandum shall be made only on the date of approval by the Company of the Information Memorandum (and not repeated thereafter) and to the extent relating to the Reports and the Model shall be made only on the IDD (and not repeated thereafter);
 - (ii) the representations set out in paragraph 11 (*Financial statements*) shall only be made once in respect of each set of Relevant Financial Statements on the date such financial statements are delivered; and

- (iii) the representations set out in paragraphs 14 (*Security*) and 15 (*Legal and beneficial ownership*) are deemed to be made by the Parent or the relevant Obligor (as the case may be) who enters into such Security Document, on the date of such Security Document, in relation to that Security Document.
- (b) subject to the relevant Obligor's Knowledge (which, in respect of representations made on or prior to the IDD, will not include the Knowledge of the Brand Business' management) and the contents of the Reports and the disclosure (if any) in the Transfer Documents; and
- (c) by each Obligor or additional Obligor (as the case may be) in respect of itself (and to the extent they are expressed to be applicable to them, its Subsidiaries (if any)) by reference to the facts and circumstances then existing at the date such representation is made or deemed to be made.

The Repeating Representations shall be deemed to be made by each Obligor (and, where a representation is stated to be made by the Parent, by the Parent in respect of itself) on each Utilisation date and the first day of each Interest Period and by any additional Obligor on the date of its accession to the Finance Documents.

ANNEX 3 COVENANTS

1. Authorisations

Subject to any applicable Reservations and Perfection Requirements, each Obligor and (for the purposes of paragraphs (a) and (b) below only) the Parent shall (and the Company shall ensure that each other Group Member will) promptly obtain, comply with and do all that is necessary to maintain in full force and effect any material Authorisation required under any applicable law or regulation of a Relevant Jurisdiction to:

- (a) enable it to perform its obligations under the Finance Documents to which it is a party;
- (b) ensure the legality, validity, enforceability or admissibility in evidence in the Relevant Jurisdictions of any Finance Document; and
- (c) enable it to carry on its business save to the extent failure to do so would not reasonably be expected to have a Material Adverse Effect.

2. Compliance with laws

Each Obligor shall (and the Company shall ensure that each other Group Member will) comply in all respects with all applicable laws and regulations to which it may be subject, if failure so to comply would reasonably be expected to have a Material Adverse Effect.

3. Taxes

Each Obligor shall (and the Company shall ensure that each other Group Member will) pay all Taxes required by a government authority or organisation to be paid by it within the time period allowed for payment without incurring any material penalties for non-payment except for any Taxes:

- (a) being contested by the relevant Group Member in good faith and in accordance with the relevant procedures;
- (b) which have been disclosed or will be disclosed in its financial statements and for which adequate reserves are being maintained in accordance with the Accounting Principles; or
- (c) where payment can be lawfully withheld and failure to pay those Taxes does not have or would not reasonably be expected to have a Material Adverse Effect.

4. Change of business

No Obligor shall (and the Company shall ensure that no other Group Member will) substantially change the general nature of the business of the Group (taken as a whole) from that carried on as at the IDD.

5. Investments

Except for a Permitted Acquisition, a Permitted Disposal, a Permitted JV or a Permitted Transaction, no Obligor shall (and the Company shall ensure that no other Group Member will):

- (a) incur or allow to remain outstanding any amalgamation, demerger, merger, consolidation or corporate reconstruction;
- (b) invest in or acquire any share in, or any security issued by, any person (including any JV), or any interest therein or in the capital of any person (including any JV), or make any capital contribution to any person (including any JV) or from any person (including any JV);
- (c) invest in or acquire any business or going concern, or the whole or substantially the whole of the assets or business of any person, or any assets that constitute a division or operating unit of the business of any person; or
- (d) make any other JV Investment in any JV.

6. Holding company

Neither the Parent nor the Company shall trade, carry on any business, own any asset or incur any liability except to the extent that any activity constitutes a Permitted Holdco Activity.

7. Assets

Each Obligor shall (and the Company shall ensure that each Material Subsidiary will) maintain in good working order and condition to the extent customary and practicable (ordinary wear and tear excepted) all its material assets necessary for the conduct of its business where failure to do so would have or would reasonably be expected to have a Material Adverse Effect.

8. Pari passu

Subject to the Reservations, each Obligor shall ensure that its payment obligations under the Finance Documents rank at all times at least *pari passu* in right of priority and payment with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally (or similar entities as the relevant Obligor).

9. Documents

- (a) Each Obligor shall (and the Company shall ensure that each other Group Member will) take all reasonable action to preserve and enforce any rights it has in relation to the Key Transaction Documents and to enforce all other rights and entitlements they may have under the Key Transaction Documents, if and to the extent that the directors of the Company (acting reasonably) believe that it is commercially advantageous for the Group and appropriate to do so.
- (b) No Obligor shall (and the Company shall ensure that no other Group Member will) amend, vary, novate, supplement, supersede, waive or terminate any terms of a Key Transaction Documents in any respect which is materially adverse to the interests of the Finance Parties under the Finance Documents or which has or would reasonably be expected to have a Material Adverse Effect.
- (c) No Obligor shall amend any provisions in its constitutional documents in a manner that would be materially adverse to the interests of the Finance Parties taken as a whole.

10. Negative pledge

Except for any Permitted Security or a Permitted Transaction, no Obligor shall (and the Company shall ensure that no other Group Member will) create or permit to subsist any Security Form over any of its assets.

11. Disposals

Except for a Permitted Disposal or a Permitted Transaction, no Obligor shall (and the Company shall ensure that no other Group Member will) whether by a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) Dispose of any asset.

12. Arm's length terms

Except for a Permitted Non-Arm's Length Transaction, no Obligor shall (and the Company shall ensure that no other Group Member will) incur or allow to remain outstanding any material transaction with any Restricted Person other than on terms that are at least as favourable to that Group Member as arm's length terms.

13. Restricted Payments & Distributions

Except for a Permitted Distribution or a Permitted Transaction, no Obligor shall (and the Company shall ensure that no other Group Member will) make a Restricted Payment and the Company shall not make or give effect to a Distribution.

14. Financial Indebtedness

Except for Permitted Financial Indebtedness, no Obligor shall (and the Company shall ensure that no other Group Member will) incur or allow to remain outstanding any Financial Indebtedness.

15. Guarantees

Except for a Permitted Guarantee or a Permitted Transaction, no Obligor shall (and the Company shall ensure that no other Group Member will) issue or allow to remain outstanding any guarantee in respect of any liability or obligation of any person.

16. Loans or credit

Except for a Permitted Loan, Permitted Guarantee, a Permitted Distribution or a Permitted Transaction, no Obligor shall (and the Company shall ensure that no other Group Member will) be a creditor in respect of any Financial Indebtedness.

17. Issue of shares

Except for a Permitted Share Issue, a Permitted Disposal, a Permitted Holdco Activity or a Permitted Transaction, no Obligor shall (and the Company shall ensure that no other Group Member will) issue any shares or grant any conditional or unconditional option, warrant or other right to call for the issue or allotment of, subscribe for, purchase or otherwise acquire any share of any Group Member.

18. Insurance

Each Obligor shall (and the Company shall ensure that each other Group Member will) maintain insurances on and in relation to its business and material assets with reputable underwriters or insurance companies against those risks, and to the extent, usually insured against by prudent companies located in the same or a similar location and carrying on a similar business and required by applicable law, if failure so to do would reasonably be expected to have a Material Adverse Effect.

19. Pensions

Each Obligor shall ensure that all pension schemes maintained or operated by, or for the benefit of, any Group Member and/or any of its employees are funded to the extent required by law and maintained in accordance with all applicable laws, except where non-compliance does not have, or would not reasonably be expected to have a Material Adverse Effect.

20. Intellectual Property

Each Obligor shall (and the Company shall ensure that each other Group Member will) observe and comply with all obligations and laws to which it in its capacity as registered proprietor, beneficial owner, user, licensor or licensee of the Intellectual Property which is required to conduct the material business of the Group and take all commercially reasonable endeavours to prevent third parties infringing any necessary Intellectual Property, if in either case, failure to do so would reasonably be expected to have a Material Adverse Effect.

21. Guarantors

Subject to the Security Principles, the Company shall ensure that within 90 Business Days of each Compliance Certificate being delivered (other than in respect of the first and third Financial Quarters in any Financial Year in respect of paragraph (b) below only):

- (a) each Material Subsidiary (if not already a Guarantor) shall become a Guarantor and all the shares or equity interests in any such Material Subsidiary held by a Group Member shall become subject to Transaction Security and grant security over all or substantially all of its assets (including, over its bank accounts) and accede to the Master Assignment; and
- (b) the EBITDA (calculated on an unconsolidated basis) of the Obligors (without double counting and excluding any dividends or other distributions from Subsidiaries which are Obligors) is not less than 85% of Consolidated EBITDA (calculated on an unconsolidated basis), **provided that** the unconsolidated EBITDA of any Group Member which is not eligible to become a Guarantor in accordance with the Security Principles or which has negative EBITDA or negative assets shall not be included in the numerator or denominator of the relevant calculation.

22. Conditions Subsequent

- (a) Subject to the Security Principles, the Obligors shall (and the Company shall ensure that each other Group Member will) ensure that post closing guarantees and security required pursuant to paragraph 12 (*Security & Guarantees*) and perfection of the Transaction Security be completed as soon as reasonably practicable and in the timeframe required therein (with an agreed list of perfection requirements and timing to be included in the Facilities Agreement or the relevant Security Document).
- (b) Each of the Parent and the Company shall:
 - (i) use all reasonable endeavours to obtain and deliver to the Facility Agent, prior to the IDD, a certificate of good standing issued by the Registrar of Companies in the Cayman Islands in respect of it and a certificate of incumbency issued by its registered office provider, in each case dated no earlier than a month prior to the IDD; and
 - (ii) unless the relevant certificate has already been delivered pursuant to paragraph (i) above, as soon as reasonably practicable after the then applicable deadline for the filing of annual returns and payment of annual fees with the Registrar of Companies in the Cayman Islands (the "**Applicable Deadline**"), obtain, and deliver to the Facility Agent within 5 Business Days of receipt, a certificate of good standing issued by the Registrar of Companies in the Cayman Islands in respect of it and a certificate of incumbency issued by its registered office provider, in each case, in respect of the Applicable Deadline falling immediately prior to the IDD only.

23. Further assurance

- (a) Subject to the Security Principles, each Security Provider shall (and the Company shall ensure that each other Group Member will):
 - (i) at its own expense promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices, instructions and powers of attorney) as the Security Agent may reasonably specify (and in such form as the Security Agent may reasonably require in favour of the Security Agent or its nominee(s)):
 - (A) to perfect the Security created or intended to be created under or evidenced by the Security Documents (which may include the execution of a mortgage, charge, assignment, powers of attorney or other Security over all or any of the assets which are, or are intended to be, the subject of the Transaction Security) or for the exercise of any rights, powers and remedies of the Security Agent or the Secured Parties provided by or pursuant to the Secured Documents or by applicable law;
 - (B) to confer on the Security Agent or confer on the Secured Parties Security over any property and assets of that Obligor located in any jurisdiction equivalent or similar to the Security intended to be conferred by or pursuant to the Security Documents; and/or
 - (C) (following the occurrence of an Acceleration Date) to facilitate the realisation of the assets which are, or are intended to be, the subject of the Transaction Security,(in each case) subject to the PRC Document Limitation;
 - (ii) take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Security Agent or the Finance Parties by or pursuant to the Finance Documents; and
 - (iii) in relation to each PRC Document, the Parties acknowledge and agree to the PRC Documentation Limitation.
- (b) In relation to any provision of any Finance Document which requires the Parent, the Obligors or any other Group Member to deliver any document for the purposes of granting any guarantee or Security for the benefit of all or any of the Finance Parties, the Security Agent agrees to execute as soon as

reasonably practicable any such agreed form document which is presented to it for execution.

24. Environmental compliance

Each Obligor shall (and the Company shall ensure that each Group Member will) comply with all Environmental Law to which it may be subject where failure to do so has, or would reasonably be expected to have, a Material Adverse Effect.

25. Sanctions

Each Obligor shall not (and the Company shall procure that no Group Member and, to the extent within its power, none of its or their respective directors, officers, employees or Affiliates (each a "**Person**") will):

- (a) engage in any transaction that violates any of the applicable prohibitions set forth in any Sanctions where to do so would reasonably be expected to have a Material Adverse Effect;
- (b) be located, organised or resident in a country or territory that is the subject of Sanctions; or
- (c) directly or indirectly use the proceeds of any Loan or lend, contribute or otherwise make available such proceeds to any Subsidiary, JV partner or other Person (i) to fund any activities or business with any person that, at the time of such funding or facilitation, is the subject of Sanctions, (ii) to fund any activities or business in any country or territory that, at the time of such funding, is the subject of Sanctions or (iii) in any other manner that would result in a violation by any Person or Finance Party of Sanctions.

26. Anti-corruption and anti-money laundering

Each Obligor shall, and shall procure that each Group Member will, conduct its operations at all times in compliance with Anti-Money Laundering Laws and Anti-Corruption Laws in any material respect, where failing to do so would reasonably be expected to have a Material Adverse Effect or to materially adversely affect the interests or reputation of any Finance Party.

ANNEX 4 EVENTS OF DEFAULT

1. **Non-payment**

A Security Provider does not pay on the due date any amount payable pursuant to a Finance Document at the place at and in the currency in which it is expressed to be payable unless:

- (a) (in the case of principal and interest) its failure to pay is caused by administrative or technical error or a disruption event and payment is made within 3 Business Days of its due date; and
- (b) (in the case of any other amount) payment is made within 5 Business Days of its due date.

2. **Financial Covenants**

Subject to any Equity Cure, any Financial Covenant is not satisfied.

3. **Other obligations**

A Security Provider does not comply with any other provision of the Finance Documents (other than those referred to in paragraphs 1 (*Non-payment*) and 2 (*Financial Covenants*) of this Annex 4 (*Events of Default*)) unless failure to comply is capable of remedy and is remedied within 20 Business Days of the earlier of the Facility Agent giving notice to the Company and a Security Provider becoming aware of the failure to comply.

4. **Misrepresentation**

Any representation or written statement made or deemed to be made by a Security Provider in any Finance Document or any other material document delivered by or on behalf of any Security Provider under or pursuant to any Finance Document (other than any Relevant Financial Statements) is or proves to be incorrect or misleading in any material respect when made or deemed to be made unless the facts or circumstances underlying the misrepresentation or misstatement are capable of remedy and is remedied within 20 Business Days of the earlier of the Facility Agent giving notice to the Company and any Security Provider becoming aware of such misrepresentation or misstatement.

5. **Cross-default**

- (a) Any Financial Indebtedness of any Group Member is not paid when due nor within any originally applicable grace period or is validly declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).
- (b) Any creditor of any Group Member becomes entitled to declare any Financial Indebtedness of any Group Member due and payable prior to its specified maturity as a result of an event of default (however described) other than with respect to any Financial Indebtedness arising under a Hedging Document.
- (c) No Event of Default will occur under this paragraph 5:
 - (i) if the relevant Financial Indebtedness is intra-Group Financial Indebtedness, Existing Indebtedness or Parent Debt;
 - (ii) to the extent the relevant Financial Indebtedness is supported by a bank guarantee or letter of credit issued under a Facility (including an ancillary facility) or an Incremental Facility;
 - (iii) if that Financial Indebtedness has ceased to be due and payable or on demand or in respect of which the creditor of that Financial Indebtedness is no longer entitled to declare it due and payable or on demand;
 - (iv) if the Financial Indebtedness is in respect of any Treasury Transaction which is terminated as a result of an event of default (however described) with respect to the counterparty or a credit support provider for or specified entity of the counterparty rather than with respect to a Group Member; and/or

- (v) if the aggregate amount of the relevant Financial Indebtedness at the relevant time is not in excess of HK\$100,000,000 (or its equivalent).

6. Insolvency

Any Material Entity is unable to pay (but not deemed unable to pay pursuant to any applicable law) or admits inability to pay its debts as they fall due (other than solely as a result of its balance sheet liabilities exceeding its balance sheet assets) or suspends (or threatens to suspend) making payments on all or a material part of its debts or commences negotiations with one or more of its creditors (other than the Finance Parties and any Hedging Bank, in such capacity) with a view to rescheduling any of its indebtedness, in each case by reason of actual or anticipated financial difficulties in any Relevant Jurisdiction.

7. Insolvency proceedings

Any corporate action, legal proceeding or other proceeding or step is taken in relation to:

- (a) the suspension of payments, a moratorium of any indebtedness, bankruptcy, liquidation, winding-up, dissolution, administration, judicial management, judicial arrangement, rehabilitation or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any Material Entity;
- (b) a composition, compromise, assignment or arrangement with any creditor (other than a Finance Party or a Hedging Bank, in such capacity) of any Material Entity for reasons of financial difficulty of such company;
- (c) the appointment of a liquidator, receiver, judicial manager, receiver, manager, administrative receiver, trustee, compulsory administrator, provisional liquidator or interim manager or other similar officer in respect of any Material Entity or, in each case, any of its assets having an aggregate value in excess of HK\$100,000,000 (or its equivalent); or
- (d) any analogous procedure or step is taken in any Relevant Jurisdiction in respect of any Material Entity,

excluding any Permitted Transaction or any corporate action, legal proceeding or other procedure or step (including any winding-up petition) which is frivolous or vexatious and is discharged, stayed or dismissed within 20 Business Days of commencement.

8. Creditors' process

Any expropriation, attachment, sequestration, distress or execution affects any asset or assets of any Material Entity having an aggregate value in excess of HK\$100,000,000 (or its equivalent) and in respect of indebtedness aggregating in excess of HK\$100,000,000 (or its equivalent) unless such process is being contested in good faith and/or is shown to be frivolous or vexatious and is discharged, stayed or dismissed within 20 Business Days.

9. Unlawfulness & invalidity

Subject to the Reservations, the PRC Documentation Limitation and the Perfection Requirements:

- (a) it is or becomes unlawful for a Security Provider to perform any of its material obligations under the Finance Documents to which it is a party;
- (b) any obligations of any Security Provider under any Finance Documents to which it is a party are not or cease to be legal, valid, binding or enforceable; or
- (c) any Finance Document ceases to be in full force and effect or any Transaction Security or any subordination created under the Intercreditor Agreement ceases to be legal, valid, binding, enforceable or effective,

(in each case) in a way which is materially adverse to the interests of the Finance Parties under the Finance Documents unless the facts or circumstances relating thereto are capable of remedy and are remedied within 20 Business Days of the earlier of the Facility Agent giving notice to the Company and any Security Provider becoming aware of such facts or circumstances.

10. Intercreditor Agreement

Any party to the Intercreditor Agreement (other than any Security Provider, a Finance Party or a Hedging Bank) fails to comply with a material provision of the Intercreditor Agreement and, if the interests of the Lenders are (or are reasonably expected to be) materially prejudiced by such failure unless the facts or circumstances underlying such failure are capable of remedy and are remedied within 20 Business Days of the earlier of the Facility Agent giving notice to the Company or the Company becoming aware of such failure.

11. Cessation of business

After the IDD, the Group (taken as a whole) suspends or ceases to carry on (or threatens to suspend or cease to carry on) the whole of its business or a material part of its business which is material in the context of the Group (taken as a whole) except as part of a Permitted Transaction or Permitted Disposal.

12. Audit qualification

The auditors of the Group qualify the Annual Financial Statements as a going concern (other than if the qualification as to the ability to continue as a going concern is as a result of potential or actual non-compliance with any Financial Covenant) or by reason of failure to disclose information and in any manner which is or would reasonably be expected to be materially adverse to the interests of the Finance Parties in the context of the Finance Documents except, in each case, if the circumstances giving rise to such qualification are capable of remedy and are remedied within 30 Business Days of the date of notification of the qualification by the auditors to any Group Member.

13. Litigation

Any litigation, arbitration proceeding or dispute or investigations by any governmental agency is started or threatened or there are any circumstances likely to give rise to any litigation, arbitration, proceeding or dispute, in each case against any Group Member by any third party which is reasonably likely to be adversely determined (taking into account any bona fide right of appeal of the relevant Group Member), and if so adversely determined, would reasonably be expected to have a Material Adverse Effect.

14. Nationalisation

All or part of the shares or assets of any Group Member are seized, nationalised, expropriated or compulsorily acquired by, or by the order of, any agency of any state (or any analogous process by relevant authorities in any jurisdiction or any step is taken by any person with a view to any of the foregoing) and such event has or would reasonably be expected to have a Material Adverse Effect.

15. Repudiation

A Security Provider or any Group Member rescinds or purports to rescind or repudiates or purports to repudiate a Finance Document or evidences an intention to rescind or repudiate a Finance Document where to do so has or would reasonably be expected to have a material adverse effect on the interests of the Finance Parties under the Finance Documents.

16. Material adverse change

The occurrence of any other event or circumstance which has a Material Adverse Effect.

ANNEX 5 SECURITY PRINCIPLES

1. Security Principles

The guarantees and Security to be provided pursuant to the Finance Documents will be given in accordance with these Security Principles and embody recognition by all parties that there may be certain legal and practical difficulties in obtaining guarantees and/or Security from all Security Providers in every jurisdiction in which the Security Providers are incorporated or resident. Each Security Document shall state that in the event of a conflict between the terms of that Security Document and the Intercreditor Agreement, the terms of the Intercreditor Agreement shall prevail and, in the case of conflict between the terms of that Security Document and the Facilities Agreement, the terms of the Facilities Agreement shall prevail. Subject to these Security Principles, the obligations to be secured are the Secured Liabilities in accordance with, and subject to, local law requirements and the requirements of these Security Principles in each relevant jurisdiction and, in no circumstances, shall impose any obligation more onerous than those contained in the Facilities Agreement other than to the extent required by local law in order to create, enforce or perfect the security interest expressed to be created thereby or, if applicable, to administer and monitor such security interest in accordance with customary banking practices. In relation to any guarantee and/or Security proposed to be provided pursuant to the Finance Documents, such guarantee and/or Security:

- (a) shall not be required to be given to the extent that to do so:
 - (i) would breach any legal or regulatory requirement beyond the control of any Group Member and which impediment cannot be avoided or removed by taking reasonable steps;
 - (ii) requires (as a matter of law) the consent of a certain percentage (the "**Minimum Consent Requirement**") of the shareholders in a non-wholly owned Security Provider or, as the case may be, partners in that JV, in circumstances where:
 - (A) the relevant Group Member (when its shareholding or, as the case may be, partnership interest in such non-wholly owned Security Provider or JV is aggregated with the shareholding or, as the case may be, partnership interest in that non-wholly owned Security Provider or JV (as applicable) held by any other Group Member) holds less than the Minimum Consent Requirement;
 - (B) that Group Member has used all reasonable endeavours to obtain the consent of the other shareholder(s) or, as the case may be, JV partners to satisfy the Minimum Consent Requirement; and
 - (C) notwithstanding those endeavours, the Minimum Consent Requirement has not been obtained; or in the case of any JV or non-wholly owned Security Provider, would breach any restriction contained in a JV agreement or shareholders' agreement (other than agreements solely with Group Members and/or any other Affiliate), **provided that** restriction was not included primarily so as to fall within this exception and, in the case of a non-wholly owned Security Provider, that non-wholly owned Security Provider has taken all reasonable steps to overcome, avoid or remove that restriction; or
 - (iii) would expose the directors of that Security Provider to a material risk of personal liability or would conflict with the fiduciary duties of its directors (**provided that** the relevant Security Provider shall use reasonable endeavours to overcome such obstacle); and
- (b) shall only be given (if at all) after taking into account:
 - (i) the practicality and costs involved in taking or perfecting any such Security and the extent to which such Security may be unduly burdensome on the relevant Security Provider or interfere unreasonably with the operation of its business;
 - (ii) the provisions of each Security Document will be limited to those obligations required by local law to create or maintain effective Security and will not impose commercial obligations;

- (iii) any material adverse taxation implications for the Group as a whole and whether or not perfection of any such Security is permissible or possible under applicable law or regulation;
- (iv) the value of the proposed Security to the Secured Parties in the light of the whole of the Security already provided to them at that time;
- (v) general legal, statutory and customary limitations, financial assistance, corporate benefit, legal capacity, fraudulent preference, "thin capitalisation" rules, retention of title claims and similar principles that may limit the ability of a Group Member to provide a guarantee or Security or may require that the guarantee or Security be limited by an amount or scope, **provided that** the Company will use reasonable endeavours to assist in demonstrating that adequate corporate benefit accrues to each Security Provider and to remedy or mitigate any of the other specified limitations including undertaking any whitewash or equivalent procedure;
- (vi) the Security and extent of its perfection will be agreed taking into account the practicality and costs to the Group of providing such Security so as to ensure that it is proportionate to the benefit accruing to the Secured Parties (and to the extent that such costs are disproportionate to the benefit accruing to the Secured Parties, the Company will consider alternative arrangements (whose costs are proportionate to the benefit accruing to the Secured Parties) to structure the Security) and the maximum guaranteed or secured amount may be limited to minimise stamp duty, notarisisation, registration or other applicable fees, taxes and duties where the benefit of increasing the guaranteed or secured amount is disproportionate to the level of such fees, taxes and duties;
- (vii) any assets subject to third party arrangements (whether in existence as at the Commitment Date or entered into thereafter) which are permitted by the Finance Documents and which prevent those assets from being secured will be excluded from any Security Document, **provided that** reasonable endeavours for a period of 20 Business Days to obtain consent to the creation of Security over any such assets shall be used by the relevant Security Provider if the relevant asset is material (and **provided that** if that Security Provider has used its reasonable endeavours but has not been able to obtain acknowledgement, its obligation to obtain acknowledgement shall cease on the expiry of that 20 Business Days period), and **provided further that** restriction was not included primarily so as to fall within this exception;
- (viii) Group Members will not be required to give guarantees or enter into Security Documents if it would contravene any legal or regulatory prohibition or result in a *bona-fide* risk of personal or criminal liability on the part of any officer;
- (ix) (where possible) will be first ranking and comprise fixed and floating Security (or the nearest equivalent under applicable law) over all present and future assets of the relevant Security Provider (other than the Parent);
- (x) (where possible) will automatically create Security over future assets of the same type as those already secured; where local law requires supplemental charges to be delivered in respect of future acquired assets in order for effective security to be created over that class of asset, such supplemental charges shall be provided at intervals no more frequent than annually (unless required more frequently under local law); and
- (xi) where such security or the perfection of such security is over a PRC Group Member, the equity securities of a PRC Group Member and would require any Group Member to obtain MOFCOM approval/filing and/or SAMR registration or any other regulatory approval (including approval, registration and/or filing with SAFE pursuant to SAFE Rules or with any other governmental entity pursuant the perfection of such guarantee or security) (the "**Approvals**"):
 - (A) for any guarantee or security constitute NBWD, the Company shall procure that the relevant grantor or security provider will, in any event by the date falling fifteen (15) PRC Business Days after the execution of the relevant Finance Document, submit all relevant forms and other documents to SAFE for the purposes for registration of the guarantee or security with SAFE;

- (B) the Company shall use commercially reasonable endeavours to obtain each such Approval within 120 days (as may be extended by additional 30 days if the Company determines (acting reasonably) that the relevant Approval is reasonably likely to be obtained within the additional 30 days) (such period, being the "**Registration Period**") of the execution of the relevant Finance Document, **provided that** if the relevant Group Member has used its commercially reasonable endeavours and has submitted or failing which, tried to submit all requisite application documents for the purposes of such approval, registration or filing to the relevant governmental agencies but has not been able to obtain or effect such Authorisation due to the relevant governmental agency's express refusal to accept the application or registration within such time (a "**Delayed Approval**"), the Company's obligation to use commercially reasonable endeavours to obtain the Delayed Approval shall cease on the earlier of the expiry of the Registration Period or the date in which the relevant Group Member receives definitive guidance from the competent governmental authority that the Approval may not in practice be obtained or issued, and, in any event, such obligation shall apply only so long as the Finance Parties co-operate and **provided further that** (in the case of any refused application or registration by the relevant PRC governmental agency) if at any time after the lapse of the 120/150 days period (as appropriate) mentioned above, due to a change in law or a change in practices of the relevant PRC governmental agency (including to SAFE, MOFCOM, and SAMR) that is publicly announced, any such Delayed Approval is accepted by the relevant PRC governmental agency, the relevant Group Member shall use its commercially reasonable endeavours to complete such registration with the relevant PRC governmental agency as soon as reasonably practicable;
- (C) notwithstanding any other provision of the Finance Documents, if a Delayed Approval is not obtained or effected despite the use of commercially reasonable endeavours to obtain or effect the same, none of any Obligor or any Group Member shall have any responsibility or liability in respect of the obligation to use commercially reasonable endeavours to obtain such Delayed Approval, and no breach of obligation, undertaking or representation and no Default shall arise in connection with or as a result of such failure to obtain or effect such Delayed Approval (or any adverse effect on the legality, binding nature, validity or enforceability of such PRC Document or any obligation thereunder) **provided that** this is without prejudice to any such obligation in respect of any other Approval. However, the Company and the Security Agent (acting on the instructions of the Majority Lenders) shall enter into good faith discussions for a period of no longer than 10 Business Days to determine whether there is any alternative means of registering such Transaction Security (including, if each party agrees it is practical and reasonable in the circumstances, extending the timeframe for registration or obtaining the relevant Authorisation) in accordance with applicable law and these Security Principles and, if any alternative means is agreed, the Company shall use its commercially reasonable endeavours to cooperate with the Security Agent to implement it
- (D) the principles and the agreements set out in paragraphs (A) to (C) above being the "**PRC Document Limitation**"; and
- (E) in the case of a guarantee only, if the relevant Group Member notifies the Security Agent that SAFE or any other regulatory authority in the PRC has either (i) commenced a formal investigation of non-compliance with applicable law in relation to the failure to obtain an Approval or (on the basis of legal advice from internationally recognised PRC legal counsel) the continued existence of the relevant guarantee would reasonably be expected to materially increase either the probability punitive or corrective measures being imposed on any Group Member or the severity of such measures or (ii) such Group Member has received definitive guidance from the competent governmental authority that the Approval may not in practice be obtained or issued, then the Security Agent is hereby authorised (without the consent of any other Finance Party) for and on behalf of the Finance Parties to and shall, in the case of (i) above, promptly terminate the relevant guarantee and in the case of (ii) above, to waive on behalf of the Parties any obligation under a Security to obtain such Approval until such time that such Approval may in practice be obtained (on the basis of legal advice from internationally recognised PRC legal counsel,

provided that to the extent any event or circumstance is a condition to or obstacle to, or a restriction

on, the relevant guarantee and/or Security being given, the relevant Group Member shall use reasonable endeavours to fulfil such condition or overcome any such obstacle or restriction, as the case may be.

Upon request or to the extent the Security Agent otherwise becomes aware, the Security Agent, the Finance Parties or the Secured Parties, as the case may be, shall be authorised, without the need for further instructions or approvals from any Secured Party, to promptly discharge any guarantees and release any Security to the extent it is in breach of any legal or regulatory prohibition as is referred to in paragraph (b)(v) above or required to carry out any Permitted Disposal, Permitted Transaction, and to enable the creation of permitted Security, and each Secured Party shall (to the extent required to effect any such discharge or release) provide its reasonable assistance in connection with the same. Save where it is inappropriate under applicable law, all Security shall only be enforceable from and after the Acceleration Date. The Security Agent will only be entitled to exercise a power of attorney under any Security Document (or related document) following the occurrence of the Acceleration Date or if the relevant Security Provider has failed to comply with a further assurance or perfection obligation within 5 Business Days of being so requested in writing. Where appropriate to do so under local law, defined terms in the Facilities Agreement shall be incorporated by reference into each Security Document.

The parties to the Facilities Agreement agree to negotiate the form of each Security Document and each Accession Letter (the "**Relevant Documentation**") in good faith. The provisions of the Relevant Documentation will not be unduly burdensome on the Security Provider or interfere unreasonably with the operation of its business. Save where it is inappropriate under applicable law, representations in the Relevant Documentation will only relate to the assets to which that Security relates or the Security created or purported to be created thereunder and shall not duplicate representations made at the date of execution of the Relevant Documentation by that Security Provider in other Finance Documents. Save where it is inappropriate under applicable law, undertakings in the Relevant Documentation additional to those contained in the Facilities Agreement will only be included to the extent necessary under local law to create or perfect the Security and will not impose additional commercial obligations. Save where it is inappropriate under applicable law for the creation or perfection of Security in accordance with these Security Principles, the Relevant Documentation will not contain any repetition of provisions of the other Finance Documents, such as notices, costs and expenses, indemnities, Tax gross-up and distribution of proceeds (but may, in circumstances where that Security Document is to be registered, replicate certain covenants contained in the Facilities Agreement where to do so would be in the interests of the Secured Parties). Unless granted under a global security document governed by the law of the jurisdiction of incorporation of a Security Provider or under Hong Kong law, all Security shall be governed by the law of the jurisdiction in which the relevant asset to be secured is located and, where the asset comprises a contract, shall be governed by the governing law of that contract and, save where it is inappropriate under applicable laws, where shares are to be secured, shall be the laws of the jurisdiction of incorporation of the company whose shares are being secured. Information, such as lists of assets (or classes or assets, if customary under local law), will be provided if, and only to the extent, required by local law to be provided in order to perfect or register the Security and, when requested by the Security Agent (acting reasonably), shall be provided annually (unless required more frequently under local law) or, whilst an Event of Default is continuing, on the Security Agent's reasonable request. The Security Agent or the Finance Parties, as the case may be, shall promptly discharge any guarantees and release any Security which is or are or has become subject to any legal or regulatory prohibition as is referred to in this paragraph 1 and which is beyond the control of any Group Member and which legal or regulatory prohibition cannot be lawfully avoided or removed by taking commercially reasonable steps.

2. **Perfection of Security**

Perfection of Security, when required, and other legal formalities will be completed as soon as reasonably practicable and, in any event, within the time periods specified in the Finance Documents therefor or (if earlier or to the extent no such time periods are specified in the Finance Documents) within the time periods specified by applicable law in order to ensure due perfection. Prior to a request from the Security Agent (acting on the instructions of the Majority Lenders) where an Event of Default is continuing, the perfection of security granted will not be required if it would have a material adverse effect on the ability of the relevant Security Provider to conduct its operations and business in the Ordinary Course or as otherwise permitted by the Finance Documents. No perfection action will be required in jurisdictions where the Security Providers are not incorporated but perfection action may be required in the jurisdiction of incorporation of one Security Provider in relation to security granted by another Security Provider incorporated in a different jurisdiction. Other than a general security agreement and related filing, no perfection action will be required with respect to assets of a type not owned by Group Members.

3. **Guarantors and Security**

Each guarantee shall be in the form set out in the Facilities Agreement, subject to, in the case of any Guarantor, any limitations set out in the Accession Deed applicable to that Guarantor. To the extent legally effective, all Security shall be granted in favour of the Security Agent on behalf of the Secured Parties and not to the Secured Parties individually. "Parallel debt" provisions will be used where necessary and will be contained in the Intercreditor Agreement and not the individual Security Documents unless required under applicable law. To the extent possible, there should be no action required to be taken in relation to the guarantees or Security when any Lender transfers any of its participation in a Facility to a new Lender. If required and unless the restriction is required by law or regulation, the constitutional documents of the company who is providing any guarantee, surety or Security pursuant to the Finance Documents will be amended to disapply any restriction on the provision, taking or enforcement of such guarantee, surety or Security or explicitly allow or grant the authority for the provision, taking or enforcement of such guarantee, surety or Security without the need for any further corporate action to be taken, **provided that** in the case of a company with minority interests (held or owned by a person which is not a Group Member), the relevant Group Members shall only be required to use reasonable endeavours to amend the constitutional documents of such company.

4. **Bank accounts**

Subject to these Security Principles, a Security Provider (other than the Parent) shall grant Security over its bank accounts but shall be free to deal with those bank accounts (other than the Prepayment Account or any other accounts which are specifically blocked) in the course of its business until an Acceleration Date has occurred. If required by local law in order to perfect the Security, notice of the Security will be served on the account bank within 5 Business Days of the Security being granted and the Security Provider (other than the Parent) shall use its reasonable endeavours to obtain an acknowledgement of that notice within 30 Business Days of service. If the Security Provider has used its reasonable endeavours but has not been able to obtain acknowledgement its obligation to obtain acknowledgement shall cease on the expiry of that 30 Business Days period. Irrespective of whether notice of the Security is required for perfection, if the service of notice would prevent the Security Provider from retaining control over and using a bank account (other than the Prepayment Account or any other accounts which are specifically blocked) in the course of its business no notice of Security shall be served unless requested by the Security Agent (acting on the instructions of the Majority Lenders) where an Acceleration Date has occurred. For the avoidance of doubt, subject to the provisions of the Facilities Agreement (other than the Prepayment Account or any other accounts which are specifically blocked), there will be no restriction on the movement and dealing with cash and receivables in the secured bank accounts until the Acceleration Date has occurred. Any Security over bank accounts (other than the Prepayment Account or any other accounts which are specifically blocked) shall be subject to any prior Security interests in favour of the account bank which are created either by law or in the standard terms and conditions of the account bank. The notice of Security may request these are waived by the account bank but the Security Provider shall not be required, to change its banking arrangements if these Security interests are not waived or only partially waived or waived subject to conditions. If required under local law, Security over bank accounts will be registered subject to the general principles set out in these Security Principles.

5. **Fixed assets & Inventory**

Subject to these Security Principles, a Security Provider (other than the Parent) shall grant Security over its material fixed assets and its material inventory but it shall be free to deal with those assets and that inventory in the course of its business and in compliance with the Finance Documents until an Acceleration Date has occurred. No notice whether to third parties or by attaching a notice to the fixed assets or inventory or otherwise shall be prepared or given unless requested by the Security Agent (acting on the instructions of the Majority Lenders) where an Acceleration Date has occurred. If required under local law, Security over fixed assets or inventory will be registered subject to the general principles set out in these Security Principles.

6. **Insurance policies**

Subject to these Security Principles, a Security Provider (other than the Parent) shall grant Security over its insurance policies to the extent the proceeds would be caught by mandatory prepayment provisions under the Finance Documents. If required by local law to perfect the Security, notice of the Security will be served on the insurance provider within 5 Business Days of the Security being granted and the Security Provider

(other than the Parent) shall use its reasonable endeavours to obtain an acknowledgement of that notice within 30 Business Days of service. If the Security Provider has used its reasonable endeavours but has not been able to obtain acknowledgement, its obligation to obtain acknowledgement shall cease on the expiry of that 30 Business Days period. No loss payee or other annotation or endorsement shall be made on the insurance policy. No Security will be granted over any insurance policy which cannot be secured under the terms of the relevant policy, **provided that** the relevant Security Provider (other than the Parent) has used reasonable endeavours to obtain consent from the relevant insurer to allow the Security to be granted for a period of 30 Business Days and **provided further that** such restriction was not included primarily so as to fall within this exception. If the Security Provider has used its reasonable endeavours but has not been able to obtain consent, its obligation to obtain consent shall cease on the expiry of that 30 Business Days period.

7. Intellectual Property

Subject to these Security Principles, a Security Provider (other than the Parent) shall grant Security over its material Intellectual Property but shall be free to deal with that Intellectual Property which it has granted in the course of its business (including allowing its Intellectual Property to lapse if no longer material to its business or as otherwise permitted under the Finance Documents) until the Acceleration Date has occurred. No Security shall be granted over any Intellectual Property which cannot be secured under the terms of the relevant licensing agreement. A Security Provider (other than the Parent) shall use its reasonable endeavours to obtain consent to allow security to be granted over such material Intellectual Property for a period of 30 Business Days. If the Security Provider has used its reasonable endeavours but has not been able to obtain consent, its obligation to obtain consent shall cease on the expiry of that 30 Business Days period. No notice shall be prepared or given to any third party from whom Intellectual Property is licensed unless requested by the Security Agent (acting on the instructions of the Majority Lenders) where an Acceleration Date has occurred. If required under local law for validity or perfection purposes, Security over material Intellectual Property will be registered under the law of that Security Document or at a relevant supra-national registry subject to the general principles set out in these Security Principles. The taking and registration of security in relation to Intellectual Property will only be in respect of material Intellectual Property.

8. Intercompany receivables

Subject to these Security Principles, a Security Provider (other than the Parent) shall grant Security over its intercompany receivables but shall be free to deal with those receivables in the course of its business until an Acceleration Date has occurred but subject always to the terms of the Finance Documents. Subject to the rest of this paragraph, if required by local law to perfect the Security, notice of the Security will be served on the relevant debtor within 5 Business Days of the Security being granted (which notice shall specify an account subject to Security in favour of the Security Agent as Security for the Secured Liabilities as being the account to which those receivables are to be paid) and the Security Provider (other than the Parent) shall use its reasonable endeavours to obtain an acknowledgement of that notice within 20 Business Days of the relevant Transaction Security being granted. Irrespective of whether notice of the security is required for perfection, if the service of notice would prevent the Security Provider from dealing with an intercompany receivable in the course of its business, no notice of security shall be served unless requested by the Security Agent (acting on the instructions of the Majority Lenders) where an Event of Default is continuing **provided that** such restriction was not included primarily so as to fall within the exception. If required under local law, Security over intercompany receivables will be registered subject to the general principles set out in these Security Principles.

9. Trade receivables and other material contracts

Subject to these Security Principles, a Security Provider (other than the Parent) shall grant Security over its material trade receivables and material contracts (and in relation to the Brand Business) but it shall be free to deal with those receivables and material contracts in the course of its business in accordance with the Finance Documents until an Acceleration Date has occurred. No notice of security may be prepared or served unless requested by the Security Agent (acting on the instructions of the Majority Lenders) where an Acceleration Date has occurred. Subject to paragraph 1(b)(iii) above, no Security will be granted over any trade receivables or material contract which cannot be secured under the terms of the relevant contract or over trade receivables which are subject, or intended to be subject, to factoring arrangements permitted under the Facilities Agreement **provided that** any such restriction was not included primarily so as to fall within this exception. If required under local law, Security over trade receivables or material contracts will be registered subject to the general principles set out in these Security Principles. Unless required by local law, any list of trade receivables required shall not include details of the underlying contracts.

10. Shares

Subject to these Security Principles, the shares and/or equity interests of each Obligor shall be secured. Until an Acceleration Date has occurred, each Security Provider will be permitted to retain and to exercise voting rights appertaining to any shares over which it has created Security and the company whose shares have been secured will be permitted to declare and pay dividends upstream on secured shares to the extent permitted under the Finance Documents with the proceeds to be available to the Company and its Subsidiaries or the Parent. Where customary, on, or as soon as reasonably practicable and in any event no later than 20 Business Days after the Security over the shares has been granted (or, in any event, prior to the IDD, to the extent any such document is a Closing Security Deliverable), the share certificate(s) (if such shares are certificated), a (stamped, to the extent relevant under applicable law) stock transfer form executed in blank (or local law equivalent) and any other documents deliverable following execution of the relevant Security Document under the terms thereof will be provided to the Security Agent and where required by law or when customary the share certificate or shareholders' register will be endorsed or written up and the endorsed share certificate or a copy of the written up register provided to the Security Agent. Unless the restriction is required by law or regulation, the constitutional documents of the company whose shares have been secured will be amended to disapply any restriction on the transfer or the registration of the transfer of the shares on the taking or enforcement of the Security granted over them **provided that** in the case of a company with minority interests (held or owned by a person which is not a Group Member), the relevant Group Members shall only be required to use reasonable endeavours to amend the constitutional documents of such company **provided further that** restriction was not included primarily so as to fall within this exception. Subject to paragraph 1(a)(ii) above, shares in JVs will not be subject to Security where such Security is prohibited by the terms of the underlying JV agreement **provided that** restriction was not included primarily so as to fall within this exception.

11. Real estate

Subject to these Security Principles, a Security Provider (other than the Parent) shall grant Security over its material real estate. There will be no obligation to investigate title, provide surveys or other insurance or environmental due diligence. A Security Provider will be under no obligation to obtain any landlord consent required to grant Security over its material real estate, nor to investigate the possibility thereof. Costs of granting Security over real estate must be within a cap on costs agreed on or prior to the date of the relevant Security Document but in any event, shall be in proportion to the value of such Security to the Lenders and the amount secured by each security over material real estate may be restricted to an agreed level where the cost of granting such security is based upon the amount secured.

12. Transfer Documents

Subject to first obtaining the consent of any counterparty whose consent is required to such Security under either the terms of the relevant document or applicable legal principles, the Company shall grant Security over all its rights, title and interest in and to the Framework Agreement to which it is a party. Notice of Security, to the extent granted in accordance with this paragraph, shall be given to each counterparty to the Framework Agreement promptly following execution of the relevant Security Document where specified by the Security Agent, and the Company shall use reasonable endeavours to procure an acknowledgement of such notice signed by such counterparty. Where the consent of any party is required under the terms of the Framework Agreement or applicable legal principles in order for the Company to grant the Security contemplated by this paragraph, the Company shall use reasonable endeavours to obtain such consent as soon as reasonably practicable after execution of the relevant Security Document for a period of 20 Business Days from such date of execution. If the Company has used its reasonable endeavours but has not been able to obtain such consent, its obligations to obtain such consent shall cease on the expiry of that 20 Business Days period.

13. Release of Security

Unless required by local law the circumstances in which the Security shall be released should not be dealt with in individual Security Documents but, if so required, shall, except to the extent required by local law, be the same as those set out in the Intercreditor Agreement. Lenders shall provide all reasonable assistance in the release and/or de-registration of the relevant Security Documents including to facilitate any Permitted Disposal, Permitted Transaction and/or to enable the creation of permitted Security. If all amounts outstanding under the Finance Documents are unconditionally repaid and cancelled in full, the Security Agent will each be automatically authorised and instructed on behalf of the Secured Parties to (at the cost

and request of the Company) irrevocably and unconditionally release the Parent and the Obligors from all their obligations and liabilities (whether present, future, actual or contingent) under the Finance Documents (subject to customary indemnities which shall survive such release) and release all Security granted in connection with the Finance Documents, in each case without any requirement for instructions, consent or authorisation from any other Finance Party. In determining whether all amounts outstanding under the Finance Documents have been unconditionally repaid and cancelled in full, the Security Agent will disregard contingent liabilities (such as the risk of clawback from a preference claim) except to the extent that it believes there is a reasonable likelihood that those contingent liabilities will become actual liabilities.

14. Local Counsel

The parties to the Commitment Letter confirm that these Security Principles remain subject to agreement by their respective local counsels which shall be dealt with at the full documentation stage.

ANNEX 6 DEFINITIONS

"Acceleration Date" means the date (if any) on which the Facility Agent gives a notice under the acceleration clause of the Facilities Agreement.

"Accession Letter" means an accession letter to the Facilities Agreement.

"Accession Deed" means an accession deed to the Intercreditor Agreement.

"Accounting Principles" means:

- (a) in respect of the consolidated Group or the Company, the Hong Kong financial reporting standards;
- (b) in respect of any other Group Member incorporated in a jurisdiction that has generally accepted accounting principles, standards and practices, the generally accepted accounting principles, standards and practices in that jurisdiction, including (where applicable) IFRS; and
- (c) in respect of any other Group Member incorporated in a jurisdiction that does not have generally accepted accounting principles, standards and practices, IFRS.

"Acquisition Reconciliation" means any purchase price allocation (or equivalent) reconciliation for acquisition accounting purposes, including following the Scheme, the Restructuring or any other Permitted Acquisition.

"Affected Lender Decision" means an amendment or waiver that has the effect of changing or which relates to:

- (a) the introduction of any additional loan, commitment, tranche or facility (other than any loan, commitment, facility or tranche ranking senior to the Facilities) or a re-tranching of any or all of the Facilities under the Finance Documents other than any Incremental Facility;
- (b) any increase in, addition of or an extension of any commitment, any extension of a commitment's maturity or availability period, the redenomination of a commitment or any payment of any amount into another currency and any extension of the date for payment or redenomination of, or a reduction of any amount (including principal, interest, fees or commission) owing or payable under the Finance Documents (including any defined term used to determine such amount owing or payable);
- (c) the timing for the delivery of a Utilisation request or the timing for funding of a Utilisation by a Lender; and
- (d) any amendment, waiver or change to a term of a Finance Document that is consequential on, incidental to or required to implement or reflect any of the foregoing.

"Affiliate" means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

"Annual Financial Statements" means the annual financial statements for a Financial Year delivered pursuant to sub-paragraph (a)(i) of paragraph 19 (*Financial Reporting*).

"Anti-Corruption Laws" means, as applicable, the US Foreign Corrupt Practices Act of 1977, the UK Bribery Act of 2010 and/or any similar laws, rules or regulations issued, administered or enforced by any governmental agency having jurisdiction over any Obligor or Group Member.

"Anti-Money Laundering Laws" means all applicable money laundering statutes and rules and regulations thereunder and any related or similar rules, regulations or guidelines, which in each case are issued, administered or enforced by any governmental agency having jurisdiction over any Obligor or Group Member, or to which any Obligor or Group Member is subject, and all applicable record keeping and reporting requirements pursuant to the foregoing.

"Approved Auditor" means any firm of accountants of international standing with (in the reasonable opinion of the Company) sufficient skill, expertise in the relevant sector and appropriate geographical reach, **provided that** if such firm is a firm other than PricewaterhouseCoopers, Ernst & Young, Deloitte and KPMG (or any of the foregoing's respective affiliates), the Company shall first seek the approval in advance by the Majority Lenders (such approval not to be unreasonably withheld or delayed) unless such approval is prohibited by law in which case consultation only shall be required.

"Approved Bank" means any of the following (and/or (in respect of paragraph (a) or (b) below only) any Affiliate thereof):

- (a) any one of Agricultural Bank of China, ANZ, Axis Bank, Bank BCA, Bank of China, Bank of Communications, BNI, BNP Paribas, China CITIC Bank, China Construction Bank, China Everbright Bank, China Merchants Bank, Chinatrust, CIMB Niaga, Citic Bank International Limited, Citic Bank International, Commonwealth Bank of Australia, DBS Bank, HSBC, Industrial & Commercial Bank of China, Korea Exchange Bank, Mizuho, Permata Bank, Shinhan Bank, Sumitomo Mitsui Banking Corporation, Standard Chartered Bank, The Bank of Tokyo Mitsubishi and Woori Bank;
- (b) any Finance Party;
- (c) any bank or financial institution which is rated with an Approved Rating; and/or
- (d) approved by the Majority Lenders.

"Approved Borrower" means any other Group Member that is incorporated in the British Virgin Islands, Bermuda, the Cayman Islands, Hong Kong, Japan, UK or the USA (each, an **"Approved Jurisdiction"**) or (if not specified above in the approved list of borrowers or located in an Approved Jurisdiction) has obtained the consent of each Lender under the relevant Facility to become a borrower thereunder, in each case, in respect of which each Finance Party has completed any KYC checks.

"Approved Rating" means for the purposes of the definition of:

- (a) (an Approved Bank) a rating of at least BBB- by Standard & Poor's Ratings Group, Ba1 by Moody's Investors Service, Inc. or BBB- by Fitch Ratings Inc. or a comparable rating from an internationally recognised credit rating agency for its long-term debt obligations; or
- (b) (a Cash Equivalent) a rating of at least A-1 by Standard & Poor's Ratings Group or P-1 by Moody's Investors Service, Inc.,

provided that following a downgrade to below the applicable rating threshold as set out above, the change in the rating shall not be deemed to have effect until 60 Business Days has passed since the date on which the relevant rating change occurred (and remains below the applicable rating threshold as set out above).

"Approved Lender" means any approved Lender on the list of approved Lenders agreed by the MLABs and the Company on or before the Commitment Date.

"Article 55 BRRD" means Article 55 of Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms.

"Authorisation" means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

"Authorised Signatory" means, for any person, a duly authorised director, chief financial officer or chief operating officer.

"Backstop Date" means 11.59 p.m. (Hong Kong time) on the date falling on the earlier of 10 Months after the Commitment Date and four Months after the Scheme Effective Date.

"Bail-In Action" means the exercise of any Write-down and Conversion Powers.

"Bail-In Legislation" means:

- (a) in relation to an EEA Member Country which has implemented, or which at any time implements, Article 55 BRRD, the relevant implementing law or regulation as described in the EU Bail-In Legislation Schedule from time to time; and
- (b) in relation to any state other than such an EEA Member Country or (to the extent that the United Kingdom is not such an EEA Member Country) the United Kingdom, any analogous law or regulation from time to time which requires contractual recognition of any Write-down and Conversion Powers contained in that law or regulation.

"Bills Payable Arrangement" means any facility, instrument, guarantee or other customary arrangement pursuant to which bills payable are issued by financial institutions in the PRC on behalf of a PRC Group Member to support obligations of a PRC Group Member incurred in the Ordinary Course.

"Brand Business" means the Brand Operations, the Brand Operation Entities and the Brand Operations Assets (each as defined in the Restructuring Term Sheet) excluding, in each case, the Other Operations.

"Business Day" means a day (other than a Saturday or Sunday) on which banks are open for general business in Hong Kong, PRC and the Cayman Islands and (in relation to any date for payment or purchase of, or setting of any rate of interest in respect of an amount denominated in, HKD) Hong Kong only.

"Capex Acquisition" means any acquisition by any Group Member of all of the issued share capital of companies where such companies contain assets, the direct acquisition of which would be treated as Capital Expenditure in the financial statements of the acquiror, **provided that** its only material assets are the acquired Capital Expenditure assets and any other assets acquired pursuant to such Capex Acquisition are incidental to, and non-material in the context of, such Capex Acquisition and it has only a de minimis number of employees or such greater number required to service and maintain the relevant acquired asset.

"Capital Expenditure" means, in respect of the Group and in respect of any period, any expenditure which should be treated as capital expenditure in the financial statements of the person incurring such expenditure in accordance with applicable Accounting Principles but excluding any non-cash expenditure. Expenditure for acquisitions of businesses or expenditure arising from operating leases (in accordance with the Accounting Principles in force prior to 1 January 2019) shall not constitute Capital Expenditure for the purposes of this definition and expenditure on finance or capital leases only counts as the cash cost in the Relevant Period being tested.

"Cash" means any cash in hand, credit balance on any deposit, savings, current or other account (including any cash standing to the credit of the Prepayment Account) of any Group Member (or to which any Group Member is beneficially entitled) and which is held with an Approved Bank and is:

- (a) available to be freely withdrawn within 45 Business Day; and
- (b) not subject to any Security Form (other than Transaction Security or any Permitted Security constituted by a netting or set-off arrangement entered into by a Group Member in the ordinary course of their banking arrangements).

"Cash Amounts" means the aggregate of cash, cash in tills, cash in transit or transmission, and Cash Equivalents.

"Cash Equivalents" means obligations that are traded in a liquid market and are:

- (a) securities issued or fully guaranteed or fully insured by any government, governmental agency or multilateral intergovernmental organisation which (in each case) is rated with an Approved Rating for that currency;
- (b) certificates of deposit, time deposits or structured deposits held with an Approved Bank maturing within one year after the relevant date of calculation and issued by an Approved Bank;
- (c) money market funds rated with (at the time of acquisition) an Approved Rating, including any fund for which a Finance Party (or an Affiliate thereof) serves as an investment advisor, administrator, shareholder servicing agent, custodian or sub-custodian, notwithstanding that a Finance Party (or an Affiliate thereof) charges and collects fees and expenses from such funds for services rendered (**provided that** such charges, fees and expenses are on terms consistent with terms negotiated at arm's length);
- (d) commercial paper or other debt securities issued by an issuer rated with an Approved Rating and maturing within one year after the relevant date of calculation; or
- (e) approved by the Majority Lenders,

in each case, not subject to any Security Form (other than pursuant to Transaction Security or any Permitted Security).

"Certain Funds Advance" means any Facility A Loan.

"Certain Funds EoD" means an Event of Default arising as a result of:

- (a) any event set out in paragraph 4 (*Misrepresentation*) in Annex 4 (*Events of Default*), in relation to a misrepresentation in any material respect (save to the extent such Certain Funds Representation is qualified by materiality) by a Closing Entity (in each case in respect of itself only) under the representations set out in paragraphs 1 (*Status*) to 6 (*Governing law & enforcement*), (in each case with respect of the shares of the Original Obligors only) paragraph 15 (*Legal and beneficial ownership*), paragraph 19 (*No prior business*) paragraph 27 (*Sanctions*) or paragraph 28 (*Anti-corruption and anti-money laundering*) of Annex 2 (*Representations*);
- (b) a breach by a Closing Entity of its obligations, in each case in respect of itself only (and excluding its procurement obligations regarding the Brand Business), paragraph 5 (*Investments*), paragraph 6 (*Holding company*), sub-paragraph (b) of paragraph 9 (*Documents*), 10 (*Negative pledge*), paragraph 11 (*Disposals*), paragraphs 13 (*Restricted Payments & Distributions*) to 16 (*Loans or credit*) and paragraphs 25 (*Sanctions*) 26 (*Anti-corruption and anti-money laundering*) of Annex 3 (*Covenants*); or
- (c) any event set out in paragraph 1 (*Non-payment*), paragraphs 6 (*Insolvency*) to 9 (*Unlawfulness & invalidity*) or paragraph 15 (*Repudiation*) of Annex 4 (*Events of Default*), in each case, in relation to a Closing Entity only (and excluding the Brand Business).

"**Certain Funds Period**" means the period from the Signing Date until the date falling one Business Day after the IDD.

"**Change of Control**" means:

- (a) at any time prior to an IPO:
 - (i) the Investors cease (directly or indirectly) to beneficially own and control 40% or more of the issued voting share capital of the Company; or
 - (ii) (on or after the Scheme Effective Date) the Investors and/or the Sham Family, cease (directly or indirectly) to:
 - (A) beneficially own and control 70% or more of the issued voting share capital of the Company; or
 - (B) have the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to appoint directors or other equivalent officers of the Company that control the majority of the votes that may be cast at a meeting of the board of directors of the Company; or
- (b) at any time after an IPO:
 - (i) the Investors and/or the Sham Family, cease (directly or indirectly) to:
 - (A) beneficially own and control 50.1% or more of the issued voting share capital of the Company; or
 - (B) have the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to appoint directors or other equivalent officers of the Company that control the majority of the votes that may be cast at a meeting of the board of directors of the Company; or
 - (ii) (other than the Investors or the Sham Family) any person or group of persons acting in concert acquires (directly or indirectly) beneficially more of the issued voting share capital of the IPO Entity than is held (directly or indirectly) by the Investors or the Sham Family, where "**acting in concert**" means a group of persons that, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition or ownership of voting shares in the Company (or, as applicable, the IPO Entity), to obtain or consolidate control (directly or indirectly) of the Company (or, as applicable, the IPO Entity), **provided that** the persons voting in the same or consistent manner at any general meeting of the Company (or, as applicable, the IPO Entity) will not be considered to be acting in concert by virtue only of exercising their votes in such manner.

"**Closing Entity**" means the Parent, the Company, SPVCo, HK TopCo and HK HoldCo.

"**Closing KYC**" means the agreed "know your customer" checks (with respect to the Closing Entities only) by the Original Finance Parties to the extent stipulated by the Facility Agent at least 5 Business Days prior to the

Signing Date.

"**Closing Opinions**" means the legal opinions from each of:

- (a) Allen & Overy, legal advisors to the MLABs and the Facility Agent in Hong Kong; and
- (b) Ogier, legal advisors to the MLABs and the Facility Agent in the Cayman Islands,

in customary form relating to the Closing Entities and (only to the extent expressly referred to in paragraph 11 (*Conditions Precedent*)) the Finance Documents, and in the event that any of the legal counsel referred to above does not deliver such legal opinion (by the time reasonably required by the Company), then the Company's legal counsel may deliver such legal opinion in substantially equivalent form.

"**Closing Security Deliverables**" means the documentation expressly specified in the Closing Security Documents as being required to be delivered by (or in relation to) the relevant Closing Entity prior to the IDD.

"**Closing Security Documents**" means the Company Share Security, the Parent Assignment, the SPVCo Share Security, the Company Debenture, the HK TopCo Share Security, the SPVCo Debenture, the HK HoldCo Share Security, the HK TopCo Debenture, the HK HoldCo Debenture and the Master Assignment.

"**Commitment Date**" means the date of the Commitment Letter.

"**Company**" means Brooklyn Investment Limited, a company incorporated in the Cayman Islands and which is 100% owned directly (as at the IDD) by the Parent.

"**Compatible Business**" means a business substantially the same as, complementary to or compatible with that carried on by the Group.

"**Competing Lender**" means a Lender (or an Affiliate thereof):

- (a) which is or has notified the Facility Agent (in a transfer certificate or otherwise) that it is acting in relation to the Facilities Agreement on behalf of (including in its capacity as the grantor of a Participation or sub-contract carrying economic, voting and/or information rights, or any other agreement pursuant to which such rights may pass); or
- (b) which has been notified to the Facility Agent by the Company (acting reasonably and in good faith) that such Lender is or is acting in relation to the Facilities Agreement on behalf of (including in its capacity as the grantor of a Participation or sub-contract carrying economic, voting and/or information rights, or any other agreement pursuant to which such rights may pass);
 - (i) a Competitor;
 - (ii) any person who has the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to cast, or control the casting of, more than 50% of the maximum number of votes that might be cast at a general meeting (or equivalent) of a Competitor or holds beneficially more than 50% of the issued share capital of a Competitor (any such person, a "**Competitor Shareholder**");
 - (iii) any Affiliate of a Competitor Shareholder, any trust of which a Competitor Shareholder or any of its Affiliates is a trustee, any partnership of which a Competitor Shareholder or any of its Affiliates is a partner; or
 - (iv) any trust, fund or other entity which is managed by, or is under the control of, a Competitor Shareholder or any of its Affiliates,

in each case, whether before or after such person becomes a Lender, **provided that** a person (other than a Competitor Shareholder) will not be deemed to be a Competing Lender if its ownership of, affiliation to or other rights in respect of the issued share capital of any person falling within this definition is administered by persons operating behind appropriate Information Barriers implemented or maintained as required by law, regulation or internal policy and in any event to the extent required to ensure that such administration is independent from such person's interests under the Finance Documents and any information provided under the Finance Documents is not disclosed or otherwise made available to any person(s) operating behind such Information Barrier or administered by an Affiliate or related fund of such person which is managed and controlled on a day to day basis

independently from that person and **provided that** in such circumstances any information made available under the Finance Documents is not disclosed or otherwise made available to any such Affiliate or related fund, where "**Information Barrier**" means, in relation to a Lender (including for these purposes, an Affiliate of a Lender), a system of controls and monitoring (including physical segregation of employees and restrictions on access to and flow of information) sufficient to ensure that (a) information relating to the Group and the Finance Documents (and related transactions) is not disclosed to any person who is or who is acting on behalf of either a Competitor or an investor or equityholder in a Competitor or who is engaged in any M&A or other advisory activity in relation to or on behalf of a Competitor; and (b) information available to any team or employee who is or who is acting on behalf of either a Competitor or an investor or equityholder in a Competitor or who is engaged in any M&A or other advisory activity in relation to or on behalf of a Competitor is not disclosed to any team or employee acting in relation to the Group or the Finance Documents (and related transactions).

"**Competitor**" means any person or entity (other than a Group Member or Investor Affiliate) principally engaged in a business that is in commercial competition with the core business of the Group.

"**Compliance Certificate**" means any compliance certificate delivered pursuant to sub-paragraph (iii) of paragraph 19 (*Financial Reporting*).

"**Conditions Subsequent**" means the documents and other evidence required to be delivered pursuant to paragraph 22 (*Conditions Subsequent*) of Annex 3 (*Covenants*).

"**CP Satisfaction Letter**" means:

- (a) the letter dated on or about the Commitment Date from the Original MLABs to the Company confirming that status of all of the documents and other evidence listed in paragraph 11 (*Conditions Precedent*) as supplemented by further letters issued from the MLABs and/or the Facility Agent to the Company from time to time; and
- (b) (in respect of an Incremental Facility) a letter or relevant confirmation from the Incremental Facility Lender(s) for that Incremental Facility, the Facility Agent and the Security Agent (as applicable) to the Company confirming the status of all of the conditions precedent to drawdown of that Incremental Facility and any amendments to the Security Documents and other Finance Documents, as supplemented by further letters issued from the Incremental Facility Lender(s), the Facility Agent and the Security Agent (as applicable) to the Company from time to time.

"**CP Satisfaction Protocol**" means the following agreed protocol in relation to the execution of any Commitment Documents and/or the satisfaction by any Group Member and the Parent of the documents and other evidence listed in paragraph 11 (*Conditions Precedent*), conditions precedent to drawdown of an Incremental Facility, any Conditions Subsequent, any accession (and related documentation), any amendments to the Security Documents and/or other Finance Documents contemplated by in respect of any Incremental Facility and any related initial conditions precedent (the "**CPs**"):

- (a) the determination of the satisfaction of the relevant CPs shall at all times be subject to the terms of the relevant CP Satisfaction Letter;
- (b) the manner of delivery of the CPs may, at the option of the relevant Group Member, be facilitated by the uploading of the CPs to a designated electronic website for this purpose to which the Facility Agent and the Security Agent have been given access and notified of the relevant address and password for that website (with at least 2 Business Days' prior notice) **provided that** the Facility Agent and/or Security Agent (as applicable) are actually able to access such website;
- (c) any Utilisation request may be validly delivered to the Facility Agent by electronic mail and it is not necessary to deliver the original Utilisation request to the Facility Agent; and
- (d) only originals of the documents specified in sub-paragraphs (a) and (c) of paragraph 11 (*Conditions Precedent*) need to be provided to the Facility Agent as soon as reasonably practicable after execution thereof and such other originals specified in any other relevant Finance Document by the time specified therein.

"**De Minimis Proceeds**" means amounts of Proceeds which are excluded from the Group's obligation to mandatorily prepay such Proceeds and which are permitted to be received and retained by the Group due to the *de minimis* thresholds set out in the Facilities Agreement.

"Debt Purchase Transaction" means, in relation to a person, a transaction where such person:

- (a) purchases by way of assignment or transfer;
- (b) enters into any sub-participation or sub-contract in respect of; or
- (c) enters into any other agreement or arrangement having an economic effect substantially similar to a sub-participation in respect of,

(directly or indirectly) any commitment or amount outstanding under any Finance Document.

"Default" means an Event of Default or any event or circumstance specified in Annex 4 (*Events of Default*) which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Finance Documents or any combination of any of the foregoing) be an Event of Default, **provided that** any such event which requires the satisfaction of a condition as to materiality before it becomes an Event of Default shall not be a Default until that condition is satisfied.

"Deferred Consideration" means, in relation to a Permitted Acquisition or a Permitted Disposal, any vendor loan, earn out or other deferred payment arrangement entered into in connection with that Permitted Acquisition or a Permitted Disposal.

"Disposal" means a sale, lease, licence, transfer, loan or other disposal by a person of any asset, undertaking or business (whether by a voluntary or involuntary single transaction or series of transactions) and **"Dispose"** shall be interpreted accordingly.

"Disposal Proceeds" means the Net Proceeds (including, when received, the cash proceeds of any deferred consideration, whether by way of adjustment to the purchase price or otherwise, and any amount received in repayment of any intra-Group loans) received by any Group Member for any Disposal made by any Group Member except for Excluded Disposal Proceeds.

"Distressed Investor" means any person, team, division, department, branch or entity of a related fund or an Affiliate of a Lender or a Lender which is a loan-to-own fund, hedge fund or vulture fund or that deals, trades or manages non-performing loans, distressed debt or special situations, or any portion or their balance sheet which is managed or supervised by any such business line.

"Distribution" means, in respect of a person:

- (a) paying, repaying or prepaying any principal, interest or other amount on or in respect of, or redeeming, purchasing or defeasing, any Financial Indebtedness, owed actually or contingently to any of its shareholders or to any Affiliate thereof;
- (b) declaring, paying or making any dividend or other payment or distribution of any kind on or in respect of any class of its shares; or
- (c) reducing, returning, purchasing, repaying, cancelling or redeeming any of its share capital.

"Disrupted Lender" has the meaning ascribed to such term in paragraph 23 (*Market Disruption*) of the Term Sheet.

"EBITDA" means the operating profit from ordinary activities before interest, Tax depreciation, amortisation and exceptional items (calculated on the same basis as Consolidated EBITDA, *mutatis mutandis*).

"EEA Member Country" means any member state of the European Union, Iceland, Liechtenstein and Norway.

"Environment" means humans, animals, plants and all other living organisms including the ecological systems of which they form part of air, water and land.

"Environmental Law" means any applicable law or regulation in a Relevant Jurisdiction which relates to the pollution or protection of the Environment, the conditions of the workplace or the generation, handling, storage, use, release or spillage of any substance which, alone or in combination with any other, is capable of causing harm to the Environment, including any waste.

"Equity Documents" means any agreement, instrument or other document that records the provision of any terms

of any Equity Injection.

"Equity Injection" means the issuance of fully paid, ordinary shares, non-redeemable preference shares and/or redeemable shares (with a redemption date at least six Months after the Final Maturity Date in respect of the Facilities and where the holder has acceded to the Intercreditor Agreement to subordinate any liabilities under or in connection with such shares to the rights of the Finance Parties), in each case by the Company (directly or indirectly) to the Parent or any Parent Debt.

"Equity Injection (Post-IDD)" means any Equity Injection made after IDD.

"Excluded Disposal Proceeds" means the proceeds of any Disposal:

- (a) which is a Permitted Disposal (other than under paragraphs (i), (s) (but only to the extent of the subsequent disposal referred to in such paragraph) and (t) of the definition of "Permitted Disposal");
- (b) where the Net Proceeds from such Disposal are HK\$10,000,000 (or its equivalent) or less;
- (c) which are applied or committed or designated to be applied in reinvestment in similar assets or for financing Capital Expenditure a Permitted Acquisition (or refinancing Capital Expenditure a Permitted Acquisition incurred in the 12 Months immediately prior to that Disposal) within 12 Months of when those proceeds are received by the applicable Group Member (and, if committed or designated in that period, are actually applied within 18 Months of receipt by the applicable Group Member); and/or
- (d) where the Net Proceeds of that Disposal, when aggregated with the Net Proceeds from other Disposals received by all Group Members in that Financial Year (excluding any Disposal or proceeds falling within the foregoing paragraphs), do not exceed HK\$25,000,000 (or its equivalent).

"Excluded Lender" means any Competing Lender, any defaulting Lender, any Non-Compliant New Lender or any Non-Responding Lender.

"Excluded Finance Lease" means any lease or hire purchase contract which would, in accordance with the Accounting Principles in force prior to 1 January 2019, have been treated as an operating lease.

"Excluded Insurance Proceeds" means any Net Proceeds of an Insurance Claim:

- (a) which are third party liability, business interruption, loss of earnings or similar claims (including director and officer claims to the extent they relate to third party liability);
- (b) which relates to an individual claim, or series of related claims, the Net Proceeds of which are HK\$10,000,000 (or its equivalent) or less;
- (c) which are applied or committed to be so applied:
 - (i) to meet a third party claim or to cover operating losses in respect of which the Insurance Claim was made; or
 - (ii) to the replacement, reinstatement and/or repair of the assets in respect of which the relevant Insurance Claim was made (or reimbursement of a Group Member for funding any of the foregoing) or otherwise in amelioration of the loss in respect of which the relevant Insurance Claim was made, in each case within 12 Months, (or such longer period as the Majority Lenders may agree) of receipt of such proceeds, **provided that** in the case of a commitment they are then so applied within 18 Months of receipt; and/or
- (d) when aggregated with the Net Proceeds from other Insurance Claims received by all Group Members in that Financial Year (excluding any Insurance Claim or proceeds falling within the foregoing paragraphs), do not exceed HK\$25,000,000 (or its equivalent).

"Excluded Proceeds" means Excluded Disposal Proceeds, Excluded Insurance Proceeds and Excluded Recovery Proceeds.

"Excluded Recovery Proceeds" means any Net Proceeds of a Recovery Claim:

- (a) which relate to any working capital or closing account adjustment or which relate to any leakage, in each

case, payable to any Group Member pursuant to the Transfer Documents;

- (b) which relates to an individual claim, or series of related claims, the Net Proceeds of which are HK\$10,000,000 (or its equivalent) or less;
- (c) which are applied or committed to be applied:
 - (i) to satisfy (or reimburse a Group Member which has discharged) any liability, charge or claim or rectifying any deficiency upon a Group Member by a person which is not a Group Member (including settlement of any outstanding Taxes or costs of any environmental claim and working capital deficiency); or
 - (ii) in compensation for a loss or replacement, reinstatement and/or repair of assets of Group Members which have been lost, destroyed or damaged,

in each case as a result of the events or circumstances giving rise to that Recovery Claim, if those proceeds are so applied or committed to be so applied, within 12 Months (or such longer period as the Majority Lenders may agree) of receipt of such proceeds, **provided that** in the case of a commitment they are then so applied within 18 Months of receipt; and/or

- (d) when aggregated with the Net Proceeds from other Recovery Claims received by all Group Members in that Financial Year (excluding any Recovery Claim or proceeds falling within the foregoing paragraphs), do not exceed HK\$25,000,000 (or its equivalent).

"Existing Indebtedness" means any Existing Indebtedness (Bridge) and any Existing Indebtedness (ListCo Group).

"Existing Indebtedness (Backstop)" means the Existing Indebtedness (Bridge) and the Financial Indebtedness referred to in paragraphs (a), (b), (c), (e), (f), (g) and (n) of the definition of "Existing Indebtedness (ListCo Group)".

"Existing Indebtedness (Bridge)" means the Financial Indebtedness (together with any related break costs, hedging and close-out costs) pursuant to the bridge facility agreement dated on or around the Scheme Effective Date between ListCo as the borrower and BNP Paribas and Standard Chartered Bank (Hong Kong) Limited as the mandated lead arrangers.

"Existing Indebtedness (ListCo Group)" means the Financial Indebtedness (together with any related break costs, prepayment premium, hedging and close-out costs) under or in respect of:

- (a) the HK\$160,000,000 facility letter dated 17 September 2010 between Sanjose Ltd as borrower and Standard Chartered Bank (Hong Kong) Limited as lender;
- (b) the HK\$200,000,000 facility letter dated 27 April 2020 between Sanjose Ltd as borrower and Standard Chartered Bank (Hong Kong) Limited as lender;
- (c) the HK\$800,000,000 facility agreement dated 31 January 2018 between, among others, I.T Finance Limited as borrower and CTBC Bank Co. Ltd. as facility agent;
- (d) the HK\$200,000,000 facility letter dated 20 March 2017, as amended on 4 August 2017, 5 January 2018, 26 June 2018 and 27 February 2019 and 11 February 2020, between I.T Finance Limited as borrower and The Hongkong and Shanghai Banking Corporation Limited as lender;
- (e) the HK\$700,000,000 facility agreement dated 1 March 2019 between, among others, I.T Finance Limited as borrower and The Hongkong and Shanghai Banking Corporation Limited as lender;
- (f) the HK\$100,000,000 facility letter dated 30 September 2019 between, among others, I.T Finance Limited as borrower and Hang Seng Bank Limited as lender;
- (g) the HK\$450,000,000 facility agreement dated 16 April 2019 between, among others, I.T Finance Limited as borrower and BNP Paribas as facility agent;
- (h) the HK\$230,000,000 facility letters dated 22 March 2017 and as varied on 27 February 2019 and 30 October 2019 between, among others, I.T Apparels Limited and I.T Sourcing Limited as borrowers and DBS Bank

(Hong Kong) Limited as lender;

- (i) the HK\$355,000,000 facility letter dated 7 January 2019, and as amended on 11 February 2020 between, among others, I.T Apparels Limited, Blossom Glory Limited and I.T Licensing Ltd as borrowers and The Hongkong and Shanghai Banking Corporation as lender;
- (j) the HK\$100,000,000 facility letter dated 25 March 2020 between I.T Apparels Limited, I.T Sourcing Limited and IT Licensing Limited as borrowers and Hang Seng Bank Limited as lender;
- (k) the HK\$170,000,00 facility letter dated 3 November 2017 between I.T Apparels Limited as borrower and Standard Chartered Bank (Hong Kong) Limited as lender;
- (l) the HK\$50,000,000 facility letter dated 11 November 2014 between I.T Finance Limited as borrower and Sumitomo Mitsui Banking Corporation Hong Kong Branch as lender;
- (m) the HK\$100,000,000 facility letter dated 19 March 2018 between, among others, i.t apparels Limited, I.T Finance Limited, I.T Sourcing Limited as borrowers, The Bank of Tokyo-Mitsubishi UFJ, Ltd acting through its Hong Kong Branch as lender; and
- (n) the HK\$180,000,000 facility letter dated 22 October 2019 addressed to i.t apparels Limited, I.T Finance Limited and I.T Sourcing Limited as borrowers from BNP Paribas,

together with any Financial Indebtedness incurred by any Group Member under or in respect of facilities entered into to replace or refinance any of the above, **provided that** the amount of such replacement or refinancing Financial Indebtedness does not exceed the aggregate commitments (whether drawn or undrawn) available to the Group on the Commitment Date under, or in respect of, the Existing Indebtedness that has been replaced or refinanced.

"Existing JV" means any JV:

- (a) in existence at the IDD or a JV in respect of which a contractual commitment relating to the entry into of that JV has been entered into by the Brand Business on or prior to the IDD; or
- (b) to which any Future Acquisition Target is party and that is in existence as at the closing date of the Permitted Business Acquisition relating to such Future Acquisition Target; or
- (c) where a contractual commitment relating to the entry into of that JV has been entered into by any Future Acquisition Target as at the closing date of the Permitted Business Acquisition relating to such Future Acquisition Target.

"Exit Event" means a Change of Control or a Sale.

"EU Bail-In Legislation Schedule" means the document described as such and published by the Loan Market Association (or any successor person) from time to time.

"Finance Documents" means the Facilities Agreement, any Fee Letter, any Accession Letter, the Intercreditor Agreement, the Syndication Letter, any Accession Deed, any Security Document, any utilisation request, any selection notice and any other document designated as such by the Facility Agent and the Company.

"Finance Lease" means any lease or hire purchase contract which would, in accordance with the Accounting Principles (as in effect prior to 1 January 2019), be treated as a finance or capital lease (other than an Excluded Finance Lease).

"Finance Party" means the Facility Agent, the Security Agent, a MLAB or a Lender.

"Financial Covenant" means any financial covenant referred to in Annex 1 (*Financial Covenants*).

"Financial Indebtedness" means any indebtedness for or in respect of (without double counting):

- (a) moneys borrowed;
- (b) any acceptance under any acceptance credit facility or dematerialised equivalent (but, in each case, excluding any Trade Instruments);

- (c) any moneys raised under or pursuant to bonds, notes, debentures, loan stock or any similar instrument (but, in each case, excluding any Trade Instruments), in each case which are not treated as equity instruments in accordance with the Accounting Principles;
- (d) the amount of any liability in respect of any Finance Lease;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold or discounted on a non-recourse basis or, if sold on a limited recourse basis, to the extent of such recourse only);
- (f) any amount raised under any other transaction (including any forward sale or purchase agreement) required to be accounted for as a borrowing in accordance with the Accounting Principles;
- (g) (for the purpose of the definition of "Permitted Financial Indebtedness", paragraph 14 (*Financial Indebtedness*) of Annex 3 (*Covenants*) and paragraph 5 (*Cross-default*) of Annex 4 (*Event of Default*)) any Treasury Transaction (and, when calculating the value of any Treasury Transaction, only the marked to market value shall be taken into account, **provided that** if any actual amount is due as a result of the termination or close-out of that Treasury Transaction, only that actual due amount shall be taken into account);
- (h) shares which are expressed to be redeemable on or prior to the date falling 6 Months after the Final Maturity Date (otherwise than solely at the option of the issuer thereof);
- (i) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution (excluding any Trade Instruments) in respect of an underlying liability of an entity which is not a Group Member which liability would fall within one of the other paragraphs of this definition; or
- (j) without double counting, the amount of any liability in respect of any guarantee for any of the items referred to (and subject to the limitations set out) in paragraphs (a) to (i) above,

provided that Financial indebtedness shall not include obligations arising under any discount or loyalty card programme (or equivalent) operated by the Group.

"Financial Quarter" means the period commencing on the day after a given Quarter Date and ending on the next following Quarter Date.

"Financial Year" means the annual accounting period of the Group ending (as at the Commitment Date) on the last day of February or such other date which corresponds to the year-end date of the Group.

"Founder" has the meaning ascribed to such term in the Restructuring Term Sheet.

"Framework Agreement" has the meaning ascribed to such term in the Restructuring Term Sheet.

"Funds Flow" means the memorandum prepared by the Company containing details of the flow of funds on the IDD.

"Future Acquisition Target" means any business or the issued share capital of a limited liability company (**provided that** in the case of an acquisition of the issued share capital of a limited liability company, the acquisition is of more than 50% of the issued share capital of that company (or any acquisition of shares or equity interests in any limited liability company following which more than 50% of that limited liability company is owned)) and together with its Subsidiaries (if any) proposed to be acquired by the Group.

"Group" means the Company and each of its Subsidiaries from time to time, excluding at all times the Other Operations Business (each a **"Group Member"**).

"Group Chart" means the structure chart of the Group as set out in the Structure Report.

"Guarantor" means an Original Guarantor, a Post-IDD Guarantor and any other company which becomes a Guarantor in accordance with the Facilities Agreement.

"Hedging Bank" means each person which becomes a Hedging Bank and which has not ceased to be a Hedging Bank, in each case, in accordance with the Intercreditor Agreement.

"Hedging Documents" means the documents entered into between an Obligor and the relevant hedging bank in respect of any interest payable or any foreign exchange exposure under the Finance Documents **provided that** such documents comply with the requirement in relation to the hedging documents stipulated in the Intercreditor Agreement.

"HK HoldCo" means the Group Member to be incorporated after the Commitment Date and identified as such in the Structure Report.

"HK TopCo" means the Group Member to be incorporated after the Commitment Date and identified as such in the Structure Report.

"Holding Company" means, in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary.

"IDD" means the date of first drawdown under Facility A.

"IFRS" means International Financial Reporting Standards issued and/or adopted by the International Accounting Standards Board.

"Illegal Lender" means any Lender in relation to which the Company receives a notice pursuant to sub-paragraph (a) (*Illegality*) of paragraph 18 (*Mandatory Prepayment*) (or, in each case, any equivalent provision in respect of any Incremental Facility as set out in the Incremental Facility notice relating to such Incremental Facility).

"Increased Costs" means:

- (a) a reduction in the rate of return from a Facility or on a Finance Party's (or its Affiliate's) overall capital;
- (b) an additional or increased cost; or
- (c) a reduction of any amount due and payable under any Finance Document,

which is incurred or suffered by a Finance Party or any of its Affiliates to the extent that it is attributable to that Finance Party having entered into its commitment in the Facilities or funding or performing its obligations under any Finance Document.

"Increased Costs Lender" means a Lender in respect of which:

- (a) an Obligor is required to pay Increased Costs under the Increased Costs provision in the Facilities Agreement or a Tax Payment (as defined in the Facilities Agreement); or
- (b) on or after the date which is three Months before the earliest FATCA Application Date (as defined in the Facilities Agreement) for any payment by a Party to a Lender (or to the Facility Agent for the account of that Lender), that Lender is not, or has ceased to be, a FATCA Exempt Party (as defined in the Facilities Agreement) and, as a consequence, a party reasonably believes that it will be required to make a FATCA Deduction (as defined in the Facilities Agreement) from a payment to that Lender (or to the Facility Agent for the account of that Lender) on or after that FATCA Application Date,

(or, in each case, any equivalent provision in respect of any Incremental Facility as set out in the Incremental Facility notice relating to such Incremental Facility).

"Incremental Facility" means additional indebtedness that may be incurred under the Facilities Agreement by delivery by the Company of an Incremental Facility notice to the Facility Agent that it wishes to increase the commitments under the RCF and/or establish a new revolving credit facility comprising one or more revolving credit facility commitments, in each case, where any such Incremental Facility shall rank *pari passu* with the Facilities and shall, subject to the Security Principles, be guaranteed and secured by the same Guarantors and the same Transaction Security which guarantee and secure the Facilities and, save as provided herein, shall be on terms and documentation consistent with the Facilities or otherwise on terms satisfactory to the Facility Agent (acting reasonably) and consistent with the Security Principles **provided that** the following criteria are or will be satisfied:

- (a) the Incremental Facility is only established within 12 Months after the IDD and only once Successful Syndication (as defined in the Syndication Letter) has occurred;

- (b) the amount incurred under all Incremental Facilities (together with any undrawn Incremental Facility commitments) would not (at the Obligation Binding Date):
 - (i) exceed in aggregate HK\$2,000,000,000 when aggregated with the outstanding Facilities;
 - (ii) exceed in aggregate HK\$300,000,000 (less any commitments in respect of the RCF); and
 - (iii) result in a Pro Forma Leverage Breach (save that references therein (solely for the purposes of this definition) to maximum covenanted Leverage Ratio level shall be replaced with 3.00:1);
- (c) the aggregate of margin and any arrangement fee (annualised based on the average life of the repayment profile of such Incremental Facility) applicable to any Incremental Facility (the "**Funding Cost**") is not more than 1.00 per cent. per annum higher than the aggregate of the applicable Margin and arrangement fee (annualised based on the remaining average life of the repayment profile of Facility A) for Facility A (the "**Reference Cost**") unless the Lenders are offered revised Margin equal to the aggregate of the original Margin and arrangement fee plus the percentage per annum by which the Funding Cost exceeds the sum of 1.00 per cent. per annum and the Reference Cost (the "**MFN Rate**"), **provided that** each individual Lender participating in the Facilities will be deemed to have rejected such offer unless it notifies the Facility Agent that it has accepted such offer by 11:00 a.m. on the fifth Business Day (or such longer period which the Company agrees) after the date of such offer;
- (d) the relevant Incremental Facility does not have a termination date earlier than the Final Maturity Date of the Facilities;
- (e) the Borrower(s) of the relevant Incremental Facility is an existing Obligor or another Group Member which accedes as an Obligor in accordance with the Facilities Agreement;
- (f) (where the Incremental Facility is made available on a certain funds basis in connection with a Permitted Acquisition, to the Company's Knowledge only) as at the Obligation Binding Date, no Event of Default is continuing or would occur as a result of incurring the relevant Incremental Facility; and
- (g) if any Incremental Facility Lender is not already a party to the Facilities Agreement as a Lender and the Intercreditor Agreement as a Senior Lender (as defined therein), it shall accede thereto in such capacities and no Group Member nor an Investor Affiliate shall be an Incremental Facility Lender.

"**Information Memorandum**" means the document (if any) in the form approved by the Company concerning the Group (including the Brand Business) in relation to the Facilities and distributed by the MLABs on a confidential basis in connection with the syndication of the Facilities.

"**Information Package**" means the Information Memorandum (if any), the Funds Flow and the Reports.

"**Insurance Claim**" means any insurance claim under any insurance maintained by any Group Member.

"**Insurance Proceeds**" means the Net Proceeds of any Insurance Claim received by any Group Member except for Excluded Insurance Proceeds.

"**Intellectual Property**" means all trademarks, service marks, trade names, domain names, logos, get-up, patents, inventions, registered and unregistered design rights, copyrights, topography rights, database rights, rights in confidential information and know-how, and any associated or similar rights anywhere in the world, which it now or in the future owns or (to the extent of its interest) in which it now or in the future has an interest (in each case whether registered or unregistered and including any related licences and sub-licences of the same granted by it or to it, applications and rights to apply for the same).

"**Intercreditor Agreement**" means the intercreditor agreement to be entered into before the IDD between, amongst others, the Obligors and the Finance Parties.

"**Investor Affiliate**" means an Investor, any of its Affiliates, any trust of which an Investor or any of its Affiliates is a trustee, any partnership of which an Investor or any of its Affiliates is a partner or any trust, fund or other entity which is managed by, or is under the control of, an Investor or any of its Affiliates **provided that** any such trust, fund or other entity which has been established for at least six months solely for the purpose of making, purchasing or investing in loans or debt securities and which is managed or controlled independently from all other trusts, funds or other entities managed or controlled by an Investor or any of its Affiliates which have been

established for the primary or main purpose of investing in the share capital of companies shall not constitute an Investor Affiliate and **provided further that** no Group Member shall be considered to be an Investor Affiliate and "Investor Affiliate" shall exclude any portfolio companies in which an Investor, any of its Affiliates, any such trust, partnership, fund or other entity or fund or other entity holds an investment.

"Investors" means any funds or limited partnerships managed and/or advised by the Sponsor or any investors in such funds or limited partnerships (but excluding any portfolio companies in which such funds or limited partnerships hold an investment and excluding CVC Capital Partners Credit Partners Holdings Limited and its direct or indirect Subsidiaries and any funds or entities managed by them from time to time) and excluding any limited partnerships who are high net worth individuals or family offices of any high net worth individual.

"IPO" means a listing of all or any part of the share capital of the IPO Entity on any investment exchange or any other sale or issue by way of flotation or public offering or any equivalent circumstances in relation to the IPO Entity in any jurisdiction or country.

"IPO Entity" means the Parent or any Holding Company of the Parent that is itself wholly or partly (and whether directly or indirectly) owned or controlled by (and below) the Investors.

"IPO Group" means the IPO Entity and its Subsidiaries from time to time (each an **"IPO Group Member"**).

"IPO Proceeds" means the Net Proceeds of an IPO where such proceeds are generated by the issuance of new shares in the IPO Entity (excluding, in all cases, the exchange of existing shares in the IPO Entity for new shares).

"JV" means any joint venture entity, whether a company, unincorporated firm, undertaking, association, joint venture or partnership or any other entity.

"JV Investment" means in respect of a JV:

- (a) all amounts subscribed for shares in, lent to, or invested in such JV by any Group Member;
- (b) the contingent liabilities of any Group Member under any guarantee given in respect of the liabilities of any such JV; and
- (c) the Market Value of any assets transferred by any Group Member to any such JV.

"Key EoD" means any Event of Default that is continuing under paragraphs 1 (*Non-payment*), 2 (*Financial Covenants*), (insofar as it relates to non-compliance with sub-paragraph (a) of paragraph 19 (*Financial Reporting*)) only) 3 (*Other Obligations*), 6 (*Insolvency*) to 8 (*Creditors' process*) of Annex 4 (*Events of Default*).

"Key Transaction Documents" means the Framework Agreement, the material Transfer Documents to be agreed at the full documentation stage and the Transitional Services Agreement (as defined in the Restructuring Term Sheet).

"Knowledge" means, in respect of any person, to the best of the knowledge and belief of such person (after due and careful enquiry).

"Legal Opinion" means any legal opinion delivered to the Facility Agent as a conditions precedent, Conditions Subsequent, due to changes to the Obligors or pursuant to any other term of a Finance Document.

"Lender" means a lender under the relevant Facility.

"ListCo" means I.T Limited.

"ListCo Group" means ListCo and each of its Subsidiaries from time to time.

"Majority Lenders" means:

- (a) in the context of a proposed amendment or waiver in relation to a proposed Utilisation of the RCF (other than on the IDD) of any of the conditions precedent of such Utilisation, a Lender or Lenders whose RCF commitments aggregate 66⅔% or more of the total RCF commitments;
- (b) in the context of a proposed amendment or waiver in relation to a proposed Utilisation of an Incremental Facility of any of the conditions precedent of such Utilisation, a Lender or Lenders whose Incremental

Facility commitments aggregate 66⅔% or more of the total Incremental Facility commitments; and

- (c) otherwise a Lender or Lenders whose commitments aggregate 66⅔% or more of the total commitments (or, if the total commitments have been reduced to zero, aggregated 66⅔% or more of the total commitments immediately prior to that reduction),

provided that (prior to the end of the Syndication Period only) at least two Lenders constitute the Majority Lenders.

"Market Value" means the market value determined by the Company in good faith by reference to the date of the relevant transaction and any application of the Facility Agent's prevailing rate of exchange as at such date.

"Material Adverse Effect" means any event or circumstance that (after taking into account all relevant mitigating factors and circumstances including, any warranty, indemnity or other resources available to the Group (including the financial resources available from other Group Members) or right of recourse against any third party with respect to the relevant event or circumstance and any obligation of any person in force to provide any additional equity investment):

- (a) has a material adverse effect on:
 - (i) the consolidated business, assets or financial condition of the Group taken as a whole **provided that** the forecasting of a future breach of a Financial Covenant (or any other financial covenant relating to any other Financial Indebtedness of the Group) in any budget (including the Budget), projections, other forecast or document delivered to the Finance Parties pursuant or in relation to the Finance Documents, of itself, does not give rise to a Material Adverse Effect; or
 - (ii) the ability of the Obligor (taken as a whole) to perform any of their payment obligations under any of the Finance Documents within the next 12 Months; or
- (b) (subject to the Reservations and any Perfection Requirements) affects the validity or enforceability of any Transaction Security granted pursuant to any of the Finance Documents in any way which is materially adverse to the interests of the Finance Parties under the Finance Documents (taken as a whole), and without duplication of any other cure period, if capable of remedy, not remedied within 20 Business Days of the Company becoming aware of the issue or being given notice of the issue by the Facility Agent.

"Material Entity" means the Parent, each Obligor and any other Material Subsidiary.

"Material IP" means the material intellectual property required to conduct the material business of the Group.

"Material Subsidiary" means any Subsidiary of the Company:

- (a) whose EBITDA (calculated on an unconsolidated basis) represent more than 5% of the Consolidated EBITDA of the Group;
- (b) whose total assets (calculated on an unconsolidated basis) represent more than 5% of the consolidated total assets of the Group;
- (c) that holds any Material IP; or
- (d) any direct or indirect Holding Company of any Material Subsidiary pursuant to paragraphs (a) to (c) above **provided that** such Holding Company is also a Group Member.

A report by an Approved Auditor that a Group Member is or is not a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding.

"Model" means the base case financial model relating to the Group.

"MOFCOM" mean the Ministry of Commerce of the PRC (including its successors) and its local counterparts.

"Month" means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that:

- (a) (subject to paragraph (c) below) if the numerically corresponding day is not a Business Day, that period shall

end on the next Business Day in that calendar month in which that period is to end if there is one, or, if there is not, on the immediately preceding Business Day;

- (b) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month; and
- (c) if an interest period begins on the last Business Day of a calendar month and, consistent with the terms of the Facilities Agreement, that interest period is to be of a duration equal to a whole number of Months, that interest period shall end on the last Business Day in the calendar month in which that interest period is to end.

The above rules will only apply to the last Month of any period.

"Most Recent Leverage" means, at any time, the Leverage Ratio for the Most Recent Period as at such time.

"Most Recent Period" means, as at any date, the most recently elapsed Relevant Period in respect of which Relevant Financial Statements for a period ending on the last day of such Relevant Period and the accompanying Compliance Certificate have been delivered to the Facility Agent in accordance with the Facilities Agreement, **provided that** if such date falls prior to the date on which the first set of Relevant Financial Statements and the accompanying Compliance Certificate shall have been delivered to the Facility Agent in accordance with the Facilities Agreement, then;

- (a) the Most Recent Period as at such date shall be deemed to be the Relevant Period ending on the assumed IDD contemplated by the Model and the Relevant Financial Statements for such Most Recent Period shall be deemed to be the Model; and
- (b) the requirements under Annex 1 (*Financial Covenants*) applicable to the Relevant Period ending on the First Test Date shall be deemed to apply to such Most Recent Period for the purposes of any pro forma calculation of any of the requirements under Annex 1 (*Financial Covenants*).

"Net Proceeds" means the cash proceeds received or recovered in any Financial Year by a Group Member (and if the recipient is not a wholly owned Subsidiary of a Group Member the cash proceeds proportionate to the direct or indirect interest held by the Company in the recipient) of any Disposal, Insurance Claim, IPO or Recovery Claim after deducting:

- (a) fees, costs and expenses incurred by any Group Member with respect to that IPO, Disposal or claim to persons who are not Group Members (including bonus payments) to management of the Group (in the case of an IPO) or the disposed business (in the case of a Disposal);
- (b) any Tax incurred and required to be paid or reserved for by any Group Member, seller or claimant in connection with that IPO, Disposal or claim (as reasonably determined by the relevant Group Member, seller or claimant and taking into account any available credit or relief) or in connection with the transfer of the proceeds thereof intra-Group for the purpose of making any prepayment of the Facilities from such proceeds;
- (c) amounts retained to cover anticipated liabilities reasonably expected to arise in connection with the Disposal or claim in the 18 Months immediately following the date of Disposal or claim, **provided that** where such anticipated liabilities do not materialise in that 18 Month period, those amounts retained shall, upon the last date of that 18 Month period, be deemed to be Net Proceeds;
- (d) costs of closure, relocation, reorganisation and restructuring, and costs incurred preparing the asset for Disposal as certified by the Company as being reasonably incurred in connection with such Disposal and payable to a person who is not a Group Member or an employee thereof and is not an Investor or an employee thereof;
- (e) amounts to be repaid to the entity disposed of in respect of intra-Group indebtedness; and
- (f) third party debt secured on the assets disposed of which is to be repaid out of those proceeds.

References to a Disposal shall include an IPO and this definition shall be construed accordingly, **provided that** the deduction in paragraphs (c), (e) and (f) above shall not apply in the context of an IPO.

"Non-Compliant New Lender" means any new Lender in respect of a Transfer that does not comply with that

Transfer or implement that Transfer in accordance with paragraph 29 (*Transfers*).

"Non-Consenting Lender" means any Lender which does not consent and continues not to consent or agree to any Request, if:

- (a) the Company, through the Facility Agent, has made that Request;
- (b) that Request is an Affected Lender Decision or requires the approval of all the Lenders (or all the Lenders under a Facility, as the case may be) or the Super Majority Lenders (to be defined in the Facilities Agreement as 85% of the Lenders by commitments); and
- (c) the Super Majority Lenders have agreed to that Request.

"Non-Market Lender" means any Disrupted Lender or any Lender with any Incremental Facility commitment or any participation in any Incremental Facility loan under any Incremental Facility and falling in the definition of "Non-Market Lender" in any Incremental Facility notice relating to such Incremental Facility.

"Non-Group Entity" means any investment or entity that is not itself a Group Member (including associates and JVs in which any Group Member has an ownership interest) that is not required to be consolidated in the Relevant Financial Statements.

"Non-Obligor" means any Group Member that is not an Obligor, **provided that** for the purpose of calculating any limitation (or applicability of any permission) in relation to transactions or arrangements (including any acquisition, disposal, loan, guarantee or share issuance) between Obligors and Group Members that are not Obligors (each, an **"Intra-Group Transaction"**), any entity which is required to become an Obligor in accordance with the Facilities Agreement but has not yet become an Obligor in, shall nonetheless be treated as an Obligor for the purposes of any such Intra-Group Transaction up to (and including) the latest date specified in the Facilities Agreement for the accession of that entity as an Obligor.

"Non-PRC Group Member" means any Group Member which is not a PRC Group Member.

"Non-Responding Lender" means any Lender that fails to:

- (a) accept or reject a Request within 15 Business Days of the date of that Request (or, if the Company agrees to a longer time period in relation to that Request or the Company specifies a longer period in that Request during which a Lender may respond, on or prior to or after the expiry of such longer period so agreed or specified by the Company); or
- (b) sign a transfer certificate within three Business Days of any request to transfer its commitments under the Facilities to a Replacement Lender.

"Obligation Binding Date" means, at the Company's election:

- (a) (in respect of any acquisition, subscription or disposal) either the date of entry into of any binding documentation in respect of such acquisition, subscription or disposal or the date of completion of such acquisition, subscription or disposal; and
- (b) (in respect of the incurrence of any Financial Indebtedness, guarantee or Security Form) the date of entry into of any commitment or definitive documentation in respect of such Financial Indebtedness, guarantee or Security Form or the date of utilisation of such Financial Indebtedness or the date on which such guarantee or Security Form becomes effective,

in each case, **provided that** the Company may make an election pursuant to the above and then subsequently change such election to the later date referred to above when making a determination whether any action or transaction is permitted by the Finance Documents.

"Obligor" means a Borrower or a Guarantor and **"Obligors"** means all of them.

"Ordinary Course" means the ordinary course of day-to-day business of the Group (or relevant Group Member as applicable).

"Original Accounting Principles" means the Accounting Principles consistent with those applied in the Model and the Reports or in the notes in any of the foregoing and save for any Acquisition Reconciliation.

"Original Finance Parties" means the MLABs, the Facility Agent, the Security Agent and the Lenders originally party to the Facilities Agreement.

"Original Borrower" means the Borrowers (as at the IDD).

"Original Guarantors" means the Closing Entities (other than the Parent) as Guarantors (as at the IDD).

"Original MLABs" means the MLABs as at the Commitment Date.

"Original Obligor" means the Original Borrowers and the Original Guarantors.

"Other Operations Business" means the Other Operations and other Operations Entities (in each case as defined in the Restructuring Term Sheet).

"Parent" means Brooklyn Company Limited, a company incorporated in the Cayman Islands and which is initially 100% owned indirectly by the Investors.

"Parent Debt" means the Liabilities (as defined in the Intercreditor Agreement) owed by the Company to the Parent and subordinated (only from the IDD) under the Intercreditor Agreement.

"Participation" means a Debt Purchase Transaction other than a transaction specified in paragraph (a) of such definition and **"Participant"** means the relevant counterparties to such Participation excluding any Lender as grantor thereunder.

"Participation (Non-Voting)" means any Participation which does not include any transfer of any voting rights (or any equivalent to any of the foregoing), directly or indirectly, under, or in relation to, the Finance Documents (including arising as a result of being able to direct the way that another person exercises its voting rights).

"Perfection Requirements" means the making of the appropriate registrations, filings or notifications (and the corresponding acknowledgements) of, or the payment of any stamp duty (including mortgage duty), registration or similar Taxes or payments on, or in respect of, or the obtaining of any approval for, the Security Documents as specifically contemplated in the Facilities Agreement, any Security Document or in any related Legal Opinion.

"Permitted Acquisition" means:

- (a) the Scheme, the Restructuring and any acquisitions expressly contemplated by the Structure Report and related steps;
- (b) any acquisition which constitutes or is part of a Permitted Disposal, a Permitted Share Issue a Permitted Management Transaction or a Permitted Transaction (other than paragraph (h) thereof);
- (c) any acquisition by a Group Member of Cash Equivalents;
- (d) the incorporation or establishment of a company or entity or an acquisition of the share capital or analogous ownership interests in, a limited liability entity (including by way of formation) which has not traded or incurred material liabilities (other than statutory liabilities) and liabilities incurred as a result of acting as a holding company only);
- (e) any Permitted Business Acquisition or any acquisition constituting a Permitted JV;
- (f) any acquisition by a Future Acquisition Target (that is the subject of any Permitted Business Acquisition and that was not a Group Member prior to such Permitted Business Acquisition but becomes a Group Member pursuant to such Permitted Business Acquisition) under and pursuant to the terms of any agreement or commitment existing at completion of that Permitted Business Acquisition;
- (g) the reacquisition by any Group Member of any asset previously owned by it upon the termination of a Finance Lease;
- (h) any Capex Acquisition;
- (i) any acquisition by a wholly-owned Group Member of ownership interests in a Group Member **provided that** if the ownership interests were subject to Transaction Security they remain or become subject to Transaction Security on the same terms as existing; and/or

- (j) any acquisition approved by the Majority Lenders.

"Permitted Business Acquisition" means any acquisition (or subscription, as applicable) by any Group Member(s) of any Future Acquisition Target if:

- (a) (to the Company's Knowledge) as at the Obligation Binding Date:
- (i) no Event of Default is continuing or would occur as a result of such acquisition or subscription (other than any Event of Default which can reasonably be expected to be remedied during the applicable Clean-Up Period);
 - (ii) the Future Acquisition Target carries on a Compatible Business and the Future Acquisition Target has no material contingent liabilities outside the Ordinary Course which would be required to be disclosed in the financial statements of such Future Acquisition Target in accordance with the relevant Accounting Principles save to the extent reflected in the Purchase Price or as indemnified by the relevant vendor or to the extent that they will be discharged within 6 Months of the acquisition closing or adequately insured or reserved against in the accounts of the Future Acquisition Target; and
 - (iii) such acquisition or subscription does not result in a Pro Forma Leverage Breach;
- (b) (to the Company's Knowledge) as at the Obligation Binding Date, such Future Acquisition Target did not have negative EBITDA in the immediately preceding Financial Year or as reasonably calculated on a last 12 Month basis; and
- (c) (only to the extent the Purchase Price in respect of such acquisition or subscription exceeds HK\$200,000,000 (or its equivalent)) promptly after any Group Member legally committing to making such acquisition or subscription, the Company supplies to the Facility Agent:
- (i) a certificate signed by an Authorised Signatory showing calculations that such acquisition or subscription does not result in a Pro Forma Leverage Breach as at the Obligation Binding Date; and
 - (ii) (only if available) a copy of the due diligence reports in relation to that acquisition (in each case on a non-reliance basis and **provided that**, if the provider(s) of any such report(s) require(s) any release or non-reliance letter (however described) to be executed prior to such disclosure, such report(s) will only be supplied if such letter has been so executed in favour of such provider(s)).

"Permitted Cash Pooling" means any cash pooling, netting or set-off arrangement provided to Group Members in the Ordinary Course of the Group's cash management arrangements.

"Permitted Disposal" means any Disposal:

- (a) of any asset in the ordinary course of trading of the disposing entity (including intra-Group);
- (b) of Cash Amounts in exchange for other Cash Amounts to the extent permitted under the Finance Documents;
- (c) arising as a result of any Permitted Security (other than paragraph (g) of Permitted Security to the extent that it relates to any Permitted Disposal) or which constitutes, is part of, or is made under or is necessary to implement, a Permitted Transaction, Permitted Distribution or Permitted Share Issue or is otherwise permitted elsewhere in a Finance Document;
- (d) of assets (other than shares or businesses or any Material IP) in exchange for, replacement for or investments in other assets comparable or superior as to type, value and quality that are used in the business of the Group;
- (e) under Finance Leases, hire purchase, conditional sale and other similar arrangements, which are otherwise permitted by the Finance Documents;
- (f) of assets by a Group Member to another Group Member;
- (g) constituted by a licence, lease, sub-licence or sub-lease of real property or a licence of intellectual property rights, in each case in the Ordinary Course;
- (h) to a JV to the extent it constitutes a Permitted JV;

- (i) of assets which are seized, expropriated, or acquired by compulsory purchase by or by the order of any central or local governmental agency or authority;
- (j) of any receivables on a non-recourse basis in the Ordinary Course or on a recourse basis to the extent constituting, part of or made under Permitted Financial Indebtedness;
- (k) pursuant to a Future Acquisition Target (that is the subject of any Permitted Business Acquisition and that was not a Group Member prior to such Permitted Business Acquisition but becomes a Group Member pursuant to such Permitted Business Acquisition) under and pursuant to the terms of any agreement existing at completion of that Permitted Business Acquisition;
- (l) pursuant to a Permitted Management Transaction or of treasury shares (or shares otherwise already held by a Group Member) in any Group Member in connection with any share incentive scheme;
- (m) that is constituted by any collection of trade receivables in the Ordinary Course by way of receipt of a note or other instrument evidencing the indebtedness constituted by such receivable, and a transfer/presentation of such note or instrument by a bank or financial institution in exchange for a cash payment;
- (n) of assets which are obsolete, surplus, redundant or no longer required for the operation or business of the Group for cash or which are no longer required for the business of any Group Member as the direct result of the closure or cessation of business (in whole or in part) of any loss making and/or strategically redundant site (as reasonably determined by such Group Member);
- (o) of shares or equity interests (other than shares or equity interests in any Material Subsidiary) by a Group Member on arm's length terms or better;
- (p) of a Permitted Treasury Transaction (including any unwinding or termination thereof) to the extent not restricted under the terms of the Intercreditor Agreement;
- (q) of assets (other than shares or equity interests in any Material Subsidiary or any Material IP) where the Disposal Proceeds are applied in mandatory prepayment pursuant to sub-paragraph (d) of paragraph 18 (*Mandatory Prepayment*);
- (r) of fixed or long term assets other than shares or Material IP (or the disposal of shares in a company whose material assets are limited to fixed or long term assets other than Material IP) where the proceeds of the disposal (or an equivalent amount) are used within the 6 Months preceding or the twelve Months following the disposal (or are committed or designated by the board of directors to be applied in the 12 Months following the disposal and are so applied within 18 Months following the relevant disposal) to purchase other assets (other than Cash or Cash Equivalents) useful in the business of the Group, and/or to make a Permitted Acquisition, and/or for Capital Expenditure, and/or applied in prepayment of the Facilities;
- (s) (the disposal of the assets concerned being otherwise expressly permitted under this definition) to a special purpose vehicle and the subsequent disposal of that special purpose vehicle where the assets transferred to the special purpose vehicle are the only material assets thereof;
- (t) of any assets (including shares in any Group Member) where the cash proceeds receivable by Group are to be applied immediately upon receipt in prepayment of the Facilities and are sufficient (and are actually applied) to discharge and irrevocably cancel the Facilities in full;
- (u) expressly contemplated by the Structure Report;
- (v) approved by the Majority Lenders; and/or
- (w) of assets (other than shares or equity interests in any Material Subsidiary or any Material IP) of Group Members for cash where the net consideration receivable (when aggregated with the net consideration receivable for any other sale, lease, licence, assignment, transfer or other disposal not allowed under the preceding paragraphs) does not in any Financial Year exceed HK\$100,000,000 (or its equivalent).

"Permitted Distribution" means the making of a Distribution by the Company (or, in the case of paragraph (a), the making of a Distribution by a Group Member (other than the Company)):

- (a) to its direct shareholders either *pro rata* to their shareholdings or to Group Members;

- (b) to fund administrative costs, and expenses (including taxes, regulatory costs and professional/advisory fees) reasonably and properly incurred (or reasonably expected to be incurred) or made by any Holding Company of the Company, **provided that** the aggregate amount of all such payments does not in any Financial Year exceed HK\$10,000,000 (or its equivalent);
- (c) to fund investor front end fees or any payments to any of the Investors or any affiliate of or advisor to the Investors for ad hoc corporate finance, M&A and transaction advice actually provided to the Group or the Parent or any direct or indirect Holding Company of the Company, in each case, on terms not less favourable to the Group than arm's length terms, **provided that** the aggregate amount of all such payments does not in any Financial Year exceed HK\$10,000,000 (or its equivalent) no Event of Default has occurred and is continuing as at the date of such payment or would arise as a result of such payment;
- (d) to fund ongoing monitoring or advisory fee or fee for any ongoing operational/consulting arrangements on terms not less favourable to the Group than arm's length terms payable to the Investors **provided that** the aggregate amount of all such payments does not in any Financial Year exceed HK\$5,000,000 (or its equivalent) and no Event of Default has occurred and is continuing as at the date of such payment or would arise as a result of such payment;
- (e) to fund a Permitted Management Transaction **provided that** no Event of Default has occurred and is continuing as at the date of such payment or would arise as a result of such payment;
- (f) expressly contemplated by the Structure Report or (in each case, on or about the IDD) to make any transaction fee and/or any repayment of shareholder loans payable to the Investors and specified in the Funds Flow;
- (g) when the Most Recent Leverage is:
 - (i) less than or equal to 1.25:1 (*pro forma* for the Distribution); or
 - (ii) less than or equal 1.75:1 and greater than 1.25:1 (*pro forma* for the Distribution) **provided that** an equivalent amount shall also be applied in voluntary prepayment at the same time as any Distribution actually made in accordance with the foregoing,

and **provided further that** no Event of Default has occurred and is continuing as at the date of such payment or would arise as a result of such payment;

- (h) to a Holding Company of the Company to enable the relevant Holding Company to make payment of any underwriting, commitment, arrangement or other fees, costs or expenses incurred in connection with an IPO and/or an attempt to implement an IPO (whether or not successful) **provided that** the aggregate amount of all such payments does not in any Financial Year exceed HK\$10,000,000 (or its equivalent) and no Event of Default has occurred and is continuing as at the date of such payment or would arise as a result of such payment; and/or
- (i) approved by the Majority Lenders.

"Permitted Financial Indebtedness" means any Financial Indebtedness:

- (a) arising under any Finance Document (including any Incremental Facility), any Parent Debt, a Permitted Loan, a Permitted Guarantee, a Permitted Transaction, a Permitted JV or a Permitted Treasury Transaction;
- (b) of any Future Acquisition Target which is incurred under arrangements in existence at the closing of its acquisition by a Group Member, **provided that** the maximum amount available under such arrangements is not increased or the maturity date in respect of such Financial Indebtedness is not extended and such Financial Indebtedness is outstanding only for a period of 6 Months following such acquisition closing;
- (c) arising in the Ordinary Course and arising under any advance deposits taken from customers (to the extent they constitute Financial Indebtedness), as a result of any daylight exposures of any Group Member in respect of banking or treasury arrangements, any Permitted Cash Pooling or deferred compensation to its employees, directors or officers, amounts payable or repayable by a Group Member in respect of landlord incentives, or any liability in respect of post-employment benefit scheme liabilities, pension obligations or severance liabilities of the Group;

- (d) arising under any letters of credit and other similar instruments issued from time to time by financial institutions on behalf of a Group Member to support obligations of such Group Member in the Ordinary Course (including in respect of supply contracts and/or Group insurance which is required under the relevant terms of the supply contract or, as the case may be, the insurance policy or by the relevant insurance provider or, as the case may be, supplier);
- (e) raised by the issue of redeemable shares which are held by another Group Member or issued by the Company to any of its direct or indirect shareholders and are not redeemable mandatorily or (following election to do so) at the option of the holder on or before the date falling six Months after the Final Maturity Date and the holder has acceded to the Intercreditor Agreement to subordinate any liabilities arising under or in connection with such shares to the rights of the Finance Parties;
- (f) arising under any Bills Payable Arrangement subject to a maximum aggregate cap of HK\$20,000,000 (or its equivalent) at any time;
- (g) arising under any Permitted SBLC;
- (h) (on and prior to the date falling 5 Business Day after the IDD only) arising under a promissory note issued to the Founder as contemplated by the Structure Report;
- (i) (on and prior to the date falling 5 Business Day after the IDD only) arising under any Existing Indebtedness;
- (j) approved by the Majority Lenders; and/or
- (k) the aggregate outstanding principal amount of which (when aggregated with all outstanding principal amounts under paragraphs (b), (d), (e) and (f) above) does not at any time, exceed HK\$100,000,000 (or its equivalent).

"Permitted Guarantee" means:

- (a) any guarantee arising under any Finance Document or in relation to the Restructuring;
- (b) any guarantee issued by a Group Member on arm's length terms and in the Ordinary Course to the extent that it is not in respect of Financial Indebtedness;
- (c) any endorsements of negotiable instruments and the giving of guarantees in the Ordinary Course to the extent that it is (x) not in respect of Financial Indebtedness or (y) is Permitted Financial Indebtedness;
- (d) any guarantee to landlords in the Ordinary Course (including in respect of another Group Member's liabilities or obligations under a lease);
- (e) guarantees or counter-indemnities in favour of financial institutions which have guaranteed (or analogous instrument):
 - (i) tax liabilities of a Group Member incurred in the Ordinary Course;
 - (ii) rent obligations of a Group Member incurred on arm's length terms and in the Ordinary Course in respect of the relevant Group Member's liabilities or obligations under a lease; and/or
 - (iii) Finance Leases or any leases or hire purchase agreements which are not Finance Leases which are otherwise permitted by the Facilities Agreement;
- (f) any guarantee required by a court, tribunal, arbitral body or agency in connection with arbitration and other legal proceedings;
- (g) any guarantee granted by any Group Member to the trustee of any employee share option or employee unit trust scheme or as part of a Permitted Management Transaction;
- (h) any guarantee granted or arising under legislation relating to tax or corporate law under which any Group Member assumes general liability for the obligations of another Group Member incorporated or tax resident in the same jurisdiction;
- (i) any performance or similar bond or similar instrument guaranteeing performance by a Group Member under

any contract entered into in the Ordinary Course and any counter-indemnity in respect of such bond or instrument;

- (j) any customary guarantee given:
 - (i) in relation to a Permitted Treasury Transaction;
 - (ii) in favour of directors and officers of any Group Member in respect of their function as such;
 - (iii) to professional advisors and consultants in the Ordinary Course or given in mandate, engagement or commitment letters (and any related financing documentation); and/or
 - (iv) in the ordinary course of documentation of an acquisition or Disposal transaction, in respect of any escrow agreement, to professional advisors, consultants in the Ordinary Course or given in mandate, engagement or commitment letters (and any related documentation, whether in the context of debt securities, equity securities, hybrid securities or otherwise);
- (k) any guarantee which constitutes, is part of, is given under or in respect of any Permitted Financial Indebtedness (other than paragraph (a) of Permitted Financial Indebtedness (to the extent it relates to any Permitted Guarantee) or a Permitted Transaction);
- (l) any guarantee given by any Group Member in respect of the Financial Indebtedness and/or obligations of another Group Member (including under any Permitted Cash Pooling);
- (m) any guarantee made by any Group Member in substitution for an extension of credit permitted under the definition of Permitted Loan to the extent that such Group Member would have been entitled to extend credit in an equivalent amount under the definition of Permitted Loan (taking into account the substitution of such credit with the guarantees as contemplated in this paragraph (m)) to the person whose obligations are being so guaranteed;
- (n) any guarantee granted by any Future Acquisition Target under arrangements existing at the closing of such Permitted Business Acquisition to the extent that such guarantee is (x) not in respect of Financial Indebtedness or (y) which would otherwise constitute Permitted Financial Indebtedness, **provided that** the amount guaranteed has not been increased (otherwise than by a capitalisation of interest) where such rate of interest has not been increased (other than in accordance with the terms of the applicable agreement) and the maturity of the underlying obligation extended in contemplation of, or since, that acquisition, and such guarantee or underlying obligation is outstanding only for a period of 6 Months following the acquisition closing (unless otherwise permitted to remain outstanding);
- (o) any guarantee in respect of liabilities of a JV to the extent and in the amount permitted as a Permitted JV, which guarantee would otherwise constitute Permitted Financial Indebtedness;
- (p) any guarantee given in respect of the netting or set-off arrangements permitted pursuant to the definition of Permitted Security;
- (q) any guarantee (in customary form) given in relation to a Bills Payable Arrangement or any guarantee granted by any PRC Group Member in respect of any SBLC issued in connection with any Permitted SBLC;
- (r) (on and prior to the date falling 5 Business Day after the IDD only) any guarantee which constitutes, is part of or is given under any Existing Indebtedness;
- (s) any guarantee approved by the Majority Lenders; and/or
- (t) any guarantee not permitted by the preceding paragraphs, where the amount being guaranteed (when aggregated with the amounts being guaranteed by any other guarantees falling under this paragraph that are (in each case) outstanding) does not at any time (when aggregate with the principal amount of Financial Indebtedness permitted under paragraph (k) of the definition of Permitted Financial Indebtedness, without double-counting the same underlying indebtedness), exceed HK\$100,000,000 (or its equivalent).

"Permitted Holdco Activity" means, in respect of each of the Parent and the Company (unless otherwise specified below):

- (a) the entry into and carrying out of activities expressly permitted under the terms of the Finance Documents and the granting of any Transaction Security under the Security Documents;
- (b) holding shares or equity interests in its direct and indirect Subsidiaries or holding Cash Amounts and the undertaking of normal activities customarily carried on in the normal course of business by a non-trading holding company, including the employment of employees and/or engaging advisors, in each case, required for the operation of the Company or the Group and provision of administrative services (not otherwise expressly prohibited under any Finance Document), including the provision of management, administrative or treasury services (including Permitted Treasury Transactions) to the Group, research and development and marketing, the secondment of employees and the provision of any other services to the Group expressly contemplated to be provided by the Company in the Finance Documents;
- (c) any activity carried on in the normal course of business by a non-trading holding company constituting a Permitted Transaction or those activities expressly set out (and incurring any liability) in the Structure Report or the Transaction Documents;
- (d) making a Permitted Distribution, or in the case of the Parent, a Distribution;
- (e) any Permitted Acquisition (including the Scheme) and the payment of any Permitted Acquisition Costs and the entry into and performance of its obligations under any document for an acquisition or disposal transaction and which is in a customary form for transactions of a similar nature;
- (f) (in the case of the Company only) making a Permitted Loan (other than pursuant to paragraphs (a), (b), (g) or (h) of the definition of Permitted Loan) and receiving a Permitted Loan and (in the case of the Parent) making any loan to any Restricted Person or to the Company or entering into and giving effect to any arrangements regarding Parent Debt or being a debtor in respect of any Financial Indebtedness owing to any Restricted Person;
- (g) the entry into any Permitted Management Transaction and any loan made as part of a Permitted Management Transaction;
- (h) (insofar as it relates to the Company) making any Permitted Share Issue and (in the case of the Parent only) issuing any shares or equity interests to any person, granting to any person any conditional or unconditional option, warrant or other right to call for the issue or allotment of, subscribe for, purchase or otherwise acquire any of its shares (including any right of pre-emption, conversion or exchange), or altering any right attaching to any of its share capital or equity interests;
- (i) incurring Permitted Financial Indebtedness (or entering into and giving effect to any arrangements in respect thereof) and entering into any Permitted Guarantees, in each case in the normal course of business by a non-trading holding company;
- (j) the entry into and performance of its obligations under any engagement letter, sale and/or purchase agreement, escrow agreement, indenture and/or any other document entered into in connection with the incurrence or issuance of any Financial Indebtedness (or, in each case, any equivalent or related documentation) in the normal course of business by a non-trading holding company;
- (k) employing the services of a registered office provider and/or registered agent to provide customary services, and paying (and incurring liability to pay) the customary and reasonable fees of such provider or paying fees to maintain corporate existence and good standing;
- (l) incurring liability to pay Tax and paying that Tax, where the liability is incurred in the normal course of business by a non-trading holding company;
- (m) (in respect of the Parent) activities desirable or necessary to facilitate an IPO and transactions contemplated under, in relation to or in connection with an IPO and/or an attempt to implement an IPO; and/or
- (n) engaging in such other activities desirable to maintain its tax status or as are customary for a non-trading Holding Company in a transaction of this nature (**provided that** such activities do not result in any incurrence of material liabilities) and general administration activities including those relating to overhead costs and paying filing fees and other Ordinary Course expenses (such as audit fees and Taxes) and the fulfilment of any periodic reporting requirements.

"Permitted JV" means:

- (a) any Existing JV;
- (b) any JV (or JV Investment therein) which carries on a Compatible Business and no Event of Default is continuing on the date of the Group's entry into of the legally binding commitment to make such relevant JV Investment or would occur as a result of such JV Investment, **provided that** such JV Investment does not result in a Pro Forma Leverage Breach and **provided further that** where such JV Investment exceeds HK\$100,000,000 (or its equivalent), the Company has provided to the Facility Agent a certificate signed by an Authorised Signatory showing calculations that such JV Investment does not result in a Pro Forma Leverage Breach; and/or
- (c) any JV (or JV Investment therein) approved by the Majority Lenders.

"Permitted Loan" means:

- (a) any trade credit extended by any Group Member to its customers on normal commercial terms and in the Ordinary Course;
- (b) any advance payment by a Group Member in the Ordinary Course (including any advance payment made in relation to capital expenditure in the Ordinary Course which advance payment shall (notwithstanding any Accounting Principles to the contrary) be deemed to be Capital Expenditure);
- (c) any loan or credit constituted by any cash credit balance at a bank or other financial institution;
- (d) any loan (including by way of an entrustment loan or any Permitted Cash Pooling) made by a Group Member to another Group Member;
- (e) any loan to a JV to the extent constituting a Permitted JV;
- (f) any loan for the purposes of (or in lieu of) or constituting (directly or indirectly) a Permitted Distribution, **provided that** the amount of any loan made for the purposes of (or in lieu of) or constituting a Permitted Distribution shall not exceed the amount of the Permitted Distribution (or the Permitted Distribution that would have been made in lieu of such loan), **provided further that** a loan made hereunder shall be regarded as a Distribution for the purposes of the definition of Permitted Distribution and paragraph 13 (*Restricted payments & Distributions*) of Annex 3 (*Covenants*);
- (g) any loan or credit made by a Future Acquisition Target (the subject of a Permitted Business Acquisition, which Future Acquisition Target was not a Group Member prior to such Permitted Business Acquisition but becomes a Group Member pursuant to such Permitted Business Acquisition), which loan or credit is existing as at the closing date of such Permitted Business Acquisition (as any such loan or credit arrangement may be transferred to another Group Member), **provided that** the principal amount of that loan or credit arrangement is not increased from the principal amount outstanding on the date of closing of such Permitted Business Acquisition (except pursuant to a commitment binding on such Future Acquisition Target as at the date of closing of such Permitted Business Acquisition);
- (h) loans or extensions of credit to the extent the amount thereof would be permitted under paragraph (t) of Permitted Guarantee if such loans or extensions of credit were made by third parties under and with the benefit of the guarantee of any Group Member (for the amount of such loans or extensions of credit); and
- (i) any loan or credit comprising Deferred Consideration;
- (j) any loan by an Obligor to an entity or business acquired pursuant to a Permitted Acquisition for working capital needs of that entity or business **provided that** such entity will accede as an Obligor by the latest date specified by the Facilities Agreement;
- (k) any loan made by a Group Member in order to fund a payment to be made under a Finance Document;
- (l) a loan made as part of a Permitted Management Transaction;
- (m) any loan which constitutes Permitted Financial Indebtedness;
- (n) any loan or credit approved by the Majority Lenders; and/or

- (o) any loan or credit not permitted by the preceding paragraphs, where the aggregate amount of all such loans and credits does not exceed HK\$30,000,000 (or its equivalent) at any time save to the extent funded or reimbursed from any amounts funded from net amounts received in cash from any Equity Injection (Post-IDD).

"Permitted Management Transaction" means:

- (a) a loan made by a Group Member to an employee or director of any Group Member so long as the aggregate principal amount outstanding of loans to a single employee or director does not exceed HK\$10,000,000 (or its equivalent) at any time and the aggregate principal amount of all outstanding loans made under this paragraph (a) does not exceed, HK\$25,000,000 (or its equivalent) at any time;
- (b) a payment to departing management and/or to make other compensation payments in each case required to be paid to such departing management including payments by any Group Member to fund the purchase of any of the departing management's equity in (or loan notes issued by) a Group Member or a Holding Company (together with any Tax in respect of such payments) subject to a maximum cap of HK\$30,000,000 (or its equivalent) per Financial Year (plus the amount of any such payment funded or reimbursed from any Equity Injection (Post-IDD)) plus any amounts received during the Relevant Period by any Group Member or a Holding Company from any new members of management pursuant to the issuance of loan notes by a Group Member or a Holding Company or subscription in equity in a Group Member or a Holding Company by management or employees pursuant to paragraph (d) below during the Relevant Period;
- (c) a payment to an employee share option scheme or unit trust scheme to fund the purchase of any of the management equity (together with the purchase or repayment of any related loans) subject to a maximum cap of HK\$10,000,000 (or its equivalent) per annum; and/or
- (d) an issue of shares by any Group Member or a Holding Company or the transfer of equity in any Group Member or a Holding Company (which is held by any Group Member or a Holding Company acting as nominee (or similar)) for the purposes of holding such equity until such time as the board of the Company or a Holding Company (or a committee thereof) decides to transfer such interests to management or employees pursuant to any share incentive plan in place from time to time.

"Permitted Non-Arm's Length Transaction" means:

- (a) any Permitted Transaction (other than paragraphs (b) and (h) (unless between Group Members) of the definition of "Permitted Transaction"), a Permitted Distribution or any transaction permitted under paragraph (c) of Permitted Share Issue;
- (b) any transaction between Group Members (including Permitted Guarantees, Permitted Loans and Permitted Disposals); and/or
- (c) any fees, costs and expenses payable under the Finance Documents or agreed by the Facility Agent.

"Permitted SBLC" means any Financial Indebtedness incurred by any Non-PRC Group Member, which Financial Indebtedness is collateralised by one or more standby letters of credit (an "**SBLC**") (or its equivalent) issued by a bank or financial institution in the PRC (an "**SBLC Bank**") at the request of a PRC Group Member (an "**SBLC Group Member**") which letter of credit (or equivalent) is in an aggregate amount not exceeding the amount of the SBLC Cash Pledge (as defined below) and which letter of credit (or equivalent) is secured by the SBLC Cash Pledge (collectively the "**SBLC Arrangements**"), **provided that:**

- (a) such SBLC Group Member shall have deposited cash with such SBLC Bank to secure its counter-indemnity obligations in respect of such SBLC, the aggregate amount of which cash deposit does not exceed the aggregate principal amount of such Financial Indebtedness incurred by the relevant Non-PRC Group Member, plus reasonable costs and interest thereon for the duration of such SBLC Arrangements, and is not increased after the first incurrence of such Financial Indebtedness (such cash deposit being the "**SBLC Cash Pledge**");
- (b) such Financial Indebtedness shall not have the benefit from any Group Member of any guarantee or Security or Quasi-Security (other than such SBLC and any Security or Quasi-Security created by such Non-PRC Group Member over its rights and interests under any Permitted SBLC Hedge relating to such Financial Indebtedness ("**SBLC Hedge Security**")); and

- (c) no Event of Default is continuing or would arise as a result of the incurrence of such Financial Indebtedness or such SBLC Arrangements.

"Permitted SBLC Hedge" means any foreign exchange or interest rate hedging transaction(s) entered into by any Non-PRC Group Member for the purposes of hedging (in the case of foreign exchange hedging) any currency exposure (between Yen, HK\$, US\$ and/or RMB) of a Group Member relating to any Permitted SBLC or (in the case of interest rate hedging) any interest rate exposure of a Group Member relating to any Permitted SBLC, **provided that** the aggregate notional amount of any and all such hedging transaction(s) does not at any time exceed (or the equivalent thereof in the applicable currency does not at any time exceed) 100 per cent. of the aggregate outstanding principal amount of all Permitted SBLC at such time.

"Permitted Security" means:

- (a) any Security Form arising in the Ordinary Course (including any lien arising by operation of law);
- (b) any Security Form granted by a Group Member in the Ordinary Course of its bank and/or securities or investment account arrangements and as part of the relevant bank's, custodian's and/or broker's standard terms and conditions;
- (c) any Security Form arising under any retention of title arrangements of the Group with suppliers of goods and rights of set-off arising in the Ordinary Course;
- (d) any netting or set-off arrangement entered into by any Group Member (including pursuant to a Permitted Cash Pooling);
- (e) any Security Form created pursuant to any Finance Document or any netting or set-off arrangement entered into under a Permitted Treasury Transaction and/or by a Group Member which would be permitted pursuant to paragraph (c) of Permitted Financial Indebtedness;
- (f) any Security Form over or affecting any asset acquired by a Group Member (after the IDD) or affecting any asset of any Future Acquisition Target (under arrangements in existence at the closing of its acquisition by a Group Member) if:
 - (i) the Security Form was not created in contemplation of the acquisition of that asset or (as applicable) company by a Group Member;
 - (ii) the principal amount secured (other than by capitalisation of interest) has not been increased in contemplation of or since the acquisition of that asset or (as applicable) the acquisition of that company by a Group Member; and
 - (iii) the Security Form is removed or discharged within 6 Months of the date of acquisition of such asset or (as applicable) that company becoming a Group Member;
- (g) any Security Form arising in connection with a Permitted Disposal (other than paragraph (c) of Permitted Disposal to the extent it relates to any Permitted Security), a Permitted Acquisition, a Permitted Transaction or capital reduction of a Group Member (to the extent necessary to ensure that such Permitted Transaction or capital reduction occurs);
- (h) any Security Form over the assets subject to a lease or hire purchase contract permitted under paragraph (c) of Permitted Financial Indebtedness and granted to or for the benefit of the creditors in respect of that Finance Lease;
- (i) any Security Form imposed by a government authority or organisation under applicable law where the underlying payment obligation can be lawfully withheld and is being contested in good faith;
- (j) any Security Form over or constituted by rental deposits arising in the Ordinary Course in respect of any property leased or licensed by a Group Member or any cash collateral provided to support any guarantee or counter-indemnity permitted under paragraph (d) of Permitted Guarantee;
- (k) any cash collateral in relation to Financial Indebtedness permitted pursuant to paragraphs (d) of the definition of Permitted Financial Indebtedness;

- (l) any Security Form over goods or documents of title to goods arising in the Ordinary Course and which are given in respect of letters of credit transactions or similar trade instruments;
- (m) any Security Form which does not secure any outstanding actual or contingent liability **provided that** the relevant Group Member is using reasonable endeavours are being undertaken to release such Security;
- (n) any Security Form over shares or interests in a Permitted JV to secure obligations of such Permitted JV or to the other JV partner(s);
- (o) any customary Security Form (including under escrow arrangements relating or in favour of any Tax, customs or bonding authorities) arising in connection with an acquisition or Disposal transaction;
- (p) any Security Form arising as a result of legal proceedings or out of judgments or awards and/or arising by operation of law or the rules of any applicable court or court proceedings in respect of litigation involving any Group Member (including any escrow payment into court);
- (q) any Security Form (arising by operation of law or pursuant to mandatory provisions of applicable law) over any assets of any Group Member as security for the payment of any taxes, assessments, charges or claims of or imposed by any government authority or organisation against or on such Group Member;
- (r) any deposits to secure the performance of bids, trade contracts, governmental contracts and leases (in each case other than Financial Indebtedness), statutory obligations, surety, stays, customs and appeal bonds, performance bonds and other obligations of a like nature (including those to secure health, safety and environmental obligations) of any Group Member incurred in the Ordinary Course;
- (s) any Security Form constituted by easements, rights-of-way, restrictions, encroachments, protrusions and other similar encumbrances and title defects affecting real property which, in the aggregate, do not materially interfere with the ordinary conduct of the business of the applicable Group Member or any utility easements, building restrictions and such other Security Form against real property as are of a nature generally existing with respect to properties of a similar character;
- (t) any cash collateral granted by a Group Member as security for any guarantee of performance by a Group Member or any counter-indemnity in favour of financial institutions which have guaranteed performance by a Group Member;
- (u) any Security Form granted in respect of any Bills Payable Arrangement or any Security Form constituted by any SBLC Cash Pledge made by an SBLC Group Member in favour of an SBLC Bank in relation to Permitted SBLC or any SBLC Hedge Security;
- (v) any Security Form approved by the Majority Lenders; and/or
- (w) any Security Form securing indebtedness the outstanding principal amount of which (when aggregated with the outstanding principal amount of any other indebtedness which has the benefit of Security given by any Group Member other than any permitted under the preceding paragraphs) does not, at any time, exceed HK\$100,000,000 (or its equivalent).

"Permitted Share Issue" means any issue of:

- (a) shares by the Company which are not redeemable mandatorily or (following election to do so) at the option of the holder, in each case, on or before the date falling six Months after the Final Maturity Date and **provided that** the newly issued shares also become subject to the Transaction Security on the same terms as existing Transaction Security over shares in the Company and the holder has acceded to the Intercreditor Agreement to subordinate any liabilities arising under or in connection with such shares to the rights of the Finance Parties;
- (b) shares pursuant to a management or employee share scheme of the Group and as part of a Permitted Management Transaction;
- (c) (other than in circumstances contemplated by paragraph (a)) shares (or share premium) by a Group Member (other than shares in the Company) which is a Subsidiary to its immediate Holding Company or to another Group Member or to a minority shareholder proportionate to its existing holding where (if the existing shares of the Subsidiary are the subject of the Transaction Security) the newly-issued shares (to the extent held by

a Group Member or the Parent) also become subject to the Transaction Security on the same terms;

- (d) shares (other than shares in the Company) to a Group Member pursuant to a Permitted Acquisition; and/or
- (e) shares where the issue is expressly contemplated by the Structure Report or which constitutes a Permitted Transaction.

"Permitted Transaction" means:

- (a) any intra-Group loan which is a Permitted Loan or any loan permitted under paragraph (e) or that is a Permitted Management Transaction;
- (b) transactions (other than any Disposal and the granting or creation of Security or the incurring or permitting to subsist of Financial Indebtedness) conducted in the ordinary course of trading on arm's length terms or better;
- (c) (subject to the Intercreditor Agreement) any transaction expressly required pursuant to the Transaction Documents or any Disposal, Financial Indebtedness, guarantee or Security Form incurred, given or arising under the Transaction Documents;
- (d) any reorganisation on a solvent basis involving the business or assets of, or shares of (or other interests in), any Group Member (other than the Company) where all of the business, assets and shares of (or other interests in) the relevant Group Member (other than the Company) continue to be owned directly or indirectly by the Company in the same or a greater percentage as prior to such reorganisation save for:
 - (i) the shares of (or other interests in) any Group Member (other than the Company) which has been merged into another Group Member (other than the Company) or which has otherwise ceased to exist (including by way of the collapse of a solvent partnership or solvent winding-up of a corporate entity) as a result such reorganisation which is otherwise permitted in accordance with this definition;
 - (ii) the business, assets and shares of (or interests in) the relevant Group Members which cease to be owned directly or indirectly by the Company:
 - (A) as a result of a Disposal or merger permitted under, but subject always to the terms of, the Facilities Agreement; or
 - (B) as a result of a cessation of business or solvent winding-up of a Group Member (other than the Company) in conjunction with a distribution of all or substantially all of its assets remaining after settlement of its liabilities to its immediate shareholder(s) or other persons directly holding partnership or other interests in it in proportion to their shareholdings or other ownership interests; or
 - (C) as a result of a Disposal of shares (or partnership or other ownership interests) in a Group Member (other than the Company) required to comply with applicable laws, **provided that** any such Disposal is limited to the minimum amount required to comply with such applicable laws,

and where the Lenders (or the Security Agent on their behalf) will continue to have (subject to the Security Principles, in the reasonable opinion of the Facility Agent and supported by any legal opinions as it reasonably requires) the same or substantially equivalent guarantees and security (ignoring for the purpose of assessing such equivalency any resetting of applicable hardening periods and any limitations required in accordance with the Security Principles which do not materially and adversely affect the value or enforceability of those guarantees and Security taken as a whole, and other than guarantees and Security previously provided from any entity which has ceased to exist as contemplated above) over the same or substantially equivalent assets and over the shares (or other interests) in the transferee other than over any shares (or other interests) which have ceased to exist as contemplated above, in each case to the extent such assets, shares or other interests are not disposed of as permitted under, but subject always to, the terms of the Facilities Agreement where such reorganisation requires merging an Obligor with another entity, the surviving entity will have assumed or will continue to have liability for the obligations of that Obligor under the Finance Documents and will immediately become a Guarantor (if not already a Guarantor) and such merger or reorganisation will have no material adverse impact on the interests of the Lenders under the Finance Documents`;

- (e) any reorganisation, step, action or event expressly set out in or completed by the Structure Report, or the actions or intermediate steps necessary to implement any such reorganisation, step, action or event;
- (f) any reorganisation arising or merger required as a consequence of a specific undertaking in the Facilities Agreement; or
- (g) any reorganisation whereby an off-the-shelf limited liability company (which has not previously traded or incurred liabilities (other than statutory liabilities), is incorporated in Japan, Singapore, Hong Kong, the Cayman Islands, the British Virgin Islands or any other jurisdiction agreed by the Company and the Facility Agent (acting on the instructions of the Majority Lenders), is directly wholly owned by the Parent or shareholders of the Parent and does not carry on any business, does not own any asset and has no actual or contingent liabilities except to the extent that would (in each case) constitute a Permitted Holdco Activity):
 - (i) acquires from the Parent all of the issued shares of the Company, all of the Parent Debt, and all of the other assets of the Parent; and
 - (ii) simultaneously with or immediately upon completion of the acquisition of the shares of the Company referred to in paragraph (i) above, grants Security over all of the shares held by it in the Company and over the Parent Debt in favour of a Security Agent as security for the Secured Liabilities (such that the Lenders (or the Security Agent on their behalf) benefit from Transaction Security that would permit a share sale at a single point of enforcement of the whole Group and otherwise continue to have the same or substantially equivalent guarantees and security (ignoring for the purpose of assessing such equivalency any resetting of applicable hardening periods, and any limitations required in accordance with the Security Principles which do not materially and adversely affect the value or enforceability of those guarantees and Security taken as a whole, and other than guarantees and Security previously provided from any entity which has ceased to exist as contemplated above) over the same or substantially equivalent assets and over the shares (or other interests) in the transferee other than over any shares (or other interests) which have ceased to exist as contemplated above),

provided that any amendments to the terms of the Facilities Agreement or to the terms of the Intercreditor Agreement (if any) that the Facility Agent or, as the case may be, the Company deem necessary (each acting reasonably) (and only to the extent each has notified the other accordingly) as a result of the transactions contemplated in this paragraph (g) have been given effect to on or prior to the acquisition referred to above, but only to the extent that (in either case) those changes do not result in any material alteration in the commercial effect of the restrictions or obligations in the Facilities Agreement or the Intercreditor Agreement;

- (h) any acquisition by way of merger, **provided that** the acquisition is a Permitted Acquisition (and if it involves the Company, the Company is the surviving entity);
- (i) any reduction by a Group Member of its share or equity capital, **provided that** as a result of such reduction no material adverse tax consequences would arise and any net cash payment is a Permitted Distribution;
- (j) any conversion of intra-Group loans between a Holding Company and its direct Subsidiary into distributable reserves or share or equity capital, **provided that** if such intra-Group loan was subject to security in favour of the Lenders immediately before the conversion, the Security Agent will enjoy substantially equivalent security (ignoring for the purpose of assessing such equivalency any resetting of applicable hardening periods and any limitations required in accordance with the Security Principles which do not materially and adversely affect the value or enforceability of the Security taken as a whole) over such share or equity capital after the conversion and **provided further that** as a result of such conversion no material adverse tax consequence would arise;
- (k) any payments or other transactions specifically described in the Transfer Documents; and/or
- (l) any other merger, reorganisation or transaction approved by the Majority Lenders.

"Permitted Treasury Transaction" means:

- (a) any Treasury Transaction documented by a Hedging Document and any replacement or extension thereof permitted under the Intercreditor Agreement;
- (b) any Treasury Transaction entered into in the Ordinary Course and not for speculative purposes;

- (c) any Treasury Transactions entered into for the hedging of interest rate or foreign exchange risks in respect of any Permitted Financial Indebtedness of any Group Member and not for speculative purposes;
- (d) any Permitted SBLC Hedge; and/or
- (e) any other Treasury Transaction entered into for the hedging of actual or projected real exposures of the Group arising in the Ordinary Course and (in each case) not for speculative purposes.

"Post-IDD Guarantors" means the Material Subsidiaries to be agreed in the Facilities Agreement.

"PRC" means the People's Republic of China which, for the purpose of this Agreement, does not include the Special Administrative Region of Hong Kong, the Special Administrative Region of Macau or Taiwan.

"PRC Business Days" means, in relation to any registration of any Finance Document with any local branch of a PRC governmental agency, a day (other than a Saturday or Sunday) on which such local branch of such PRC governmental agency is open for its general business.

"PRC Document" means any Finance Document pursuant to which any Security governed or expressed to be governed by the laws of the PRC or any Security over any assets in the PRC or any shares or equity interests in any entity incorporated or established in the PRC is granted.

"PRC Document Limitation" has the meaning given to that term in Annex 5 (*Security Principles*).

"PRC Group Member" means a Group Member incorporated in the PRC.

"Proceeds" means Disposal Proceeds, Insurance Proceeds, IPO Proceeds and Recovery Proceeds.

"Pro Forma Leverage Breach" means, at any time of determination, the circumstance where the Most Recent Leverage (as at such time) would exceed the maximum covenanted Leverage Ratio level applicable to the lower of 3.00:1 and the Financial Covenant for the Most Recent Period when calculated as at the relevant time on a *pro forma* basis in accordance with this Agreement including taking into account the following:

- (a) (if applicable) consolidating the financial statements (consolidated if applicable and including the EBITDA) of the Future Acquisition Target or JV (as applicable) for the Most Recent Period with the Relevant Financial Statements (construed in accordance with the definition of "Most Recent Period") relevant to that Most Recent Period on a *pro forma* basis and as if the consideration for such acquisition or subscription had been paid at the start of that Most Recent Period;
- (b) (in each case) the application of the adjustments set out in Annex 1 (*Financial Covenants*) to the extent applicable and including any relevant Synergies; and
- (c) (with respect to any Financial Indebtedness or available undrawn commitments as at the relevant time) relating to any indebtedness incurred or established (for such relevant purpose only) assuming:
 - (i) (except in the case of any contingent liabilities) the incurrence in full of such Financial Indebtedness and any such available undrawn commitments for such Financial Indebtedness; and
 - (ii) after the application of the proceeds (including taking into account the application of such proceeds in any related refinancing and reduction of Financial Indebtedness) of such Financial Indebtedness and such available undrawn commitments.

"Purchase Price" means the total consideration (including associated costs and expenses) payable by the relevant Group Member for an acquisition:

- (a) less any Cash Amounts that are owned by the Future Acquisition Target and which are taken into account in calculating the consideration payable in respect of such Future Acquisition Target (and if so taken into account, are owned by the relevant Future Acquisition Target upon the closing of its acquisition by a Group Member); and
- (b) plus the amount of any Financial Indebtedness in the Future Acquisition Target as at the date of acquisition which would not, to the extent not then repaid or prepaid, constitute Permitted Financial Indebtedness but only to the extent that that repayment or prepayment is made by a Group Member.

"PWC Agreed Review Procedures" means the agreed scope of work for PricewaterhouseCoopers' verification of the Consolidated EBITDA for the Financial Year ending 28 February 2021 of the Brand Business.

"Quasi-Security" means a transaction or arrangement:

- (a) to sell, transfer or otherwise dispose of to any person who is not a Group Member any of its assets on terms whereby they are or may be leased to or re acquired by any other Group Member;
- (b) to sell, transfer or otherwise dispose of any of its receivables to any person who is not Group Member on recourse terms;
- (c) under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or
- (d) any other preferential arrangement having a similar effect,

in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.

"Quarter Date" means the last day of each of February, May, August and November or such other dates which correspond to the quarter and year end dates within the Financial Year of the Group.

"Quarterly Financial Statements" means the quarterly financial statements for a Financial Quarter delivered pursuant to sub-paragraph (a)(ii) of paragraph 19 (*Financial Reporting*).

"Recovery Claim" means a claim against the Founder or any of its Affiliates (or any employee, officer or advisor) in relation to the Restructuring Documents or against the provider of any Report (in its capacity as a provider of that Report).

"Recovery Proceeds" means the Net Proceeds of a Recovery Claim except for Excluded Recovery Proceeds.

"Refinancing Loan" means any Loan made available pursuant to the any facility agreement entered into by one or more of the Obligor which includes the purpose of refinancing any amount borrowed under the Facilities Agreement.

"Relevant Financial Statements" means the Annual Financial Statements and the Quarterly Financial Statements (as applicable).

"Relevant Jurisdiction" means, in relation to a Group Member or (as applicable) the Parent, its jurisdiction of incorporation and the jurisdiction whose laws govern any of the Security Documents entered into by it.

"Repeating Representations" means each of the representations set out in paragraphs 1 (*Status*) to 4 (*Power & authority*) and 6 (*Governing law & enforcement*) of Annex 2 (*Representations*).

"Replaceable Lender" means a Competing Lender, a defaulting Lender, an Increased Costs Lender, an Illegal Lender, a Non-Compliant New Lender, a Non-Consenting Lender or a Non-Market Lender.

"Report" means (on a non-reliance basis for the Finance Parties) each of:

- (a) the commercial due diligence report prepared by Oliver Wyman dated 17 November 2020;
- (b) the legal due diligence report prepared by Clifford Chance dated 18 November 2020;
- (c) the financial due diligence report prepared by PricewaterhouseCoopers dated 27 November 2020;
- (d) tax due diligence report prepared by PricewaterhouseCoopers dated 19 November 2020; and
- (e) the Structure Report.

"Request" means any request for a consent, waiver, release, amendment or other vote under the Finance Documents or in respect of the Facilities.

"Reservations" means:

- (a) the principle that certain (including equitable) remedies may be granted or refused at the discretion of a court, the principle of reasonableness and fairness where implied by law and the limitation of enforcement by laws relating to bankruptcy, insolvency, reorganisation, court schemes, administration, moratoria and other laws generally affecting the rights of creditors;
- (b) the time barring of claims under applicable statutes of limitation (or equivalent legislation), the possibility that an undertaking to assume liability for or indemnify a person against non-payment of stamp duty may be void and defences of acquiescence, set-off or counterclaim;
- (c) similar principles, rights and defences in respect of the enforceability of a contract, agreement or undertaking under the laws of any relevant jurisdiction;
- (d) the principle that in certain circumstances Security granted by way of fixed charge may be recharacterised as a floating charge or that Security purported to be constituted as an assignment may be recharacterised as a charge;
- (e) the principle that additional interest imposed pursuant to any relevant agreement may be held to be unenforceable on the grounds that it is a penalty and thus void;
- (f) the principle that a court may not give effect to an indemnity for legal costs incurred by an unsuccessful litigant;
- (g) the principle that the creation or purported creation of Security over any contract or agreement which is subject to a prohibition on transfer, assignment or charging may be void, ineffective or invalid and may give rise to a breach of the contract or agreement over which Security has purportedly been created;
- (h) the legality, validity, binding nature or enforceability of any PRC Document may be subject to the obtaining or effecting of any applicable Authorisations from any governmental agencies in the PRC, and if any such Authorisation is not obtained or effected, the legality, validity, binding nature or enforceability of any PRC Document, or the remittance (from the PRC to outside the PRC) of the proceeds of any enforcement or performance of any PRC Document may be adversely affected;
- (i) any subordination of loans made by a PRC Group Member, obligation of any PRC Group Member to turn-over or repatriate proceeds to offshore entities or to share proceeds with the Lenders which might not be recognised and/or enforceable under PRC laws; and
- (j) any other matters which are set out as qualifications or reservations as to matters of law of general application and limiting the obligations of any of the Obligors or the Parent and which are set out in the Legal Opinions (as if references therein to the relevant opinion documents were references to any document the representations and warranties hereunder in respect of which are qualified by the Reservations).

"Resolution Authority" means any body which has authority to exercise any Write-down and Conversion Powers.

"Restricted Payment" means to:

- (a) pay, repay or prepay any principal, interest or other amount on or in respect of, or redeem, purchase or defease, any Financial Indebtedness owing to any Restricted Person;
- (b) make any investment in, or pay any fee or commission or make any advance or other kind of payment to, any Restricted Person other than on terms at least as favourable to that Group Member as would be the case on an arm's length basis; or
- (c) incur or allow to remain outstanding any arrangement which imposes an obligation on any Group Member in favour of a Restricted Person other than on terms at least as favourable to that Group Member as would be the case on an arm's length basis.

"Restricted Person" means any Holding Company of the Company or any person with a voting interest (direct or indirect) in the shares in the Company, any Investor or any Investor Affiliate, in each case except to the extent that any such person is acting in its capacity as a Finance Party or a Hedging Bank.

"Restructuring" has the meaning ascribed to such term in the Restructuring Term Sheet.

"Restructuring Disbursement" means any transfer of funds directly from or on behalf of the Company (or any Holding Company of the Company) to any account of any Group Member, the Founder and/or any provider of the Existing Indebtedness to facilitate settlement of the consideration for the Restructuring (including any such transfer prior to such consideration becoming due and payable) including whether funded (directly or indirectly) from the Facilities or the cash resources of the Group (or equivalent) or to discharge the Existing Indebtedness.

"Restructuring Plan" means the restructuring plan attached to, and forming part of, the Restructuring Term Sheet.

"Restructuring Term Sheet" means the restructuring term sheet between, amongst others, the Company and the Founder dated on or around the Commitment Date.

"SAFE" means the State Administration of Foreign Exchange of the PRC (国家外汇管理局) (including its successors), or its local branch.

"SAFE Rules" means the rules of the State Administration of Foreign Exchange of the PRC applicable to cross-border security involving PRC entities as provided in the Foreign Exchange Administration Rules on Cross-border Security (跨境担保外汇管理规定) and its Implementation Rules (跨境担保外汇管理操作指引).

"SAMR" means the State Administration For Market Regulation of the PRC (including its successors) and its local counterparts.

"Sale" means a disposal of all or substantially all of the assets or business of the Group (whether in a single transaction or a series of related transactions).

"Sanctions" means any sanctions administered or enforced by the U.S. Department of Treasury's Office of Foreign Assets Control, the U.S. Department of Commerce, the United Nations Security Council, the European Union, Her Majesty's Treasury or any other relevant authority.

"Scheme" has the meaning ascribed to such term in the Restructuring Term Sheet.

"Scheme Effective Date" has the meaning ascribed to such term in the Restructuring Term Sheet.

"Second Carve-Out Completion Date" has the meaning ascribed to such term in the Restructuring Term Sheet.

"Secured Documents" means the Finance Documents and, if the relevant hedging bank has acceded to the Intercreditor Agreement as Hedging Bank, the Hedging Documents.

"Secured Liabilities" means all present and future moneys, debts and liabilities due, owing or incurred by any Obligor to any Secured Party under or in connection with any Secured Document (in each case, whether alone or jointly and severally, with any other person, whether actually or contingently and whether as principal, surety or otherwise).

"Secured Party" means a Finance Party or a Hedging Bank.

"Security" means a mortgage, charge, pledge, lien, encumbrance or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

"Security Document" means any Closing Security Document and any other security document that may at any time be given (whether by an Obligor, the Parent or any other person) as security for any of the Secured Liabilities pursuant to or in connection with any Secured Document.

"Security Form" means any Security or Quasi-Security.

"Security Principles" means the principles set out in Annex 5 (*Security Principles*).

"Security Provider" means the Parent and any Obligor.

"Sham Family" means any of:

- (a) Mr. Sham Kar Wai (holder of Hong Kong identity card no. D659513(9));
- (b) Ms. Yau Shuk Ching (holder of Hong Kong identity card no. G648158(1));

- (c) Mr. Sham Kin Wai (holder of Hong Kong identity card no. D701682(5))
- (d) Ms. Wong Choi Shan (holder of Hong Kong identity card no. D850301(0)); and/or
- (e) in relation to any off the foregoing individuals, his or her parents, brothers, sisters and lineal descendants, and any trust or other similar entity established for the sole benefit of or the sole beneficial owner(s) of which (directly or indirectly) are any or all of the foregoing, any of their respective lineal descendants, estate or any executor of their respective estate, and/or (in the case of any such trust or other similar entity) any trustee in bankruptcy or similar officer in respect of any such trust or such other similar entity.

"**Signing Date**" means the date of the Facilities Agreement.

"**Sponsor**" means CVC Asia Pacific Limited and its Affiliates and CVC Capital Partners SICAV-FIS S.A. and its Subsidiaries.

"**SPVCo**" means the Group Member to be incorporated after the Commitment Date and identified as such in the Structure Report.

"**Structure Report**" means collectively:

- (a) the structure report(s) prepared by PricewaterhouseCoopers dated 25 November 2020; and
- (b) the restructuring/carve-out report prepared by PricewaterhouseCoopers.

"**Subsidiary**" means in relation to any person, any entity which is controlled directly or indirectly by that person and any entity (whether or not so controlled) treated as a subsidiary in the latest financial statements of that person from time to time, and "control" for this purpose means the direct or indirect ownership of the majority of the voting share capital of such entity or the right or ability to direct management to comply with the type of material restrictions and obligations contemplated herein or to determine the composition of a majority of the board of directors (or like board) of such entity, in each case whether by virtue of ownership of share capital, contract or otherwise.

"**Synergies**" means, in relation to a disposal, acquisition or investment (each a "**Relevant Event**"), the *pro-forma* synergies and cost savings certified by an Authorised Signatory of the Company as reasonably achievable by the Group as a result of such Relevant Event during the period of 12 Months immediately following the date of such Relevant Event (and it may be assumed that such cost savings or synergies will be realisable during the entire 12 Month period (without duplication for cost savings or synergies actually realised during such period and already included in Consolidated EBITDA)) **provided that** any such increase in Consolidated EBITDA shall not exceed 15% of the Consolidated EBITDA of the Group for the period ending on the most recent Test Date (or if the relevant event occurs prior to the first Test Date, ending on the last Quarter Date falling before the Relevant Event) ("**Most Recent EBITDA**") **provided further that** to the extent that the aggregate amount of such synergies and costs savings in relation to any Relevant Event exceed 5% of the Most Recent EBITDA, then such synergies and cost savings must also be assessed by any Approved Auditor (or any other independent third party approved by the Majority Lenders) as certified by a director or the chief financial officer (or its equivalent from time to time) or chief operating officer (or its equivalent from time to time) of the Group as not being unreasonable as regards assumptions and methodology (or a materially equivalent alternative confirmation).

"**Tax**" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

"**Total Limit (IDD)**" means the total aggregate amount of Facility A and the RCF commitments (on the IDD only) that results in the ratio of (x) Net Debt (assuming Facility A and the RCF were drawdown in full) on the IDD and using the most recently available information to calculate the Net Debt and Cash Amounts on such date (or the closest date possible thereto) to (y) the Consolidated EBITDA (for the Financial Year ending 28 February 2021 and calculated using the PWC Agreed Review Procedures), not being in excess of 3.00:1.

"**Trade Instruments**" means any performance bonds, advance payment bonds or documentary letters of credit issued in respect of the obligations of any Group Member arising in the Ordinary Course.

"**Transaction Costs**" means:

- (a) all costs, fees and expenses (and the Taxes on them) and all stamp duty, registration and other similar Taxes

incurred by or on behalf of the Group and any of its Holding Companies in connection with the Restructuring, the Transaction Documents, the Hedging Documents and the financing of the Restructuring or the negotiation, preparation, execution, notarisation and registration of the Transaction Documents (including, for the avoidance of doubt, any fees costs or expenses relating to any release of guarantees and security and any penalties, break costs or fees arising from early repayment of Existing Indebtedness and any hedging costs and all payments made to any Hedging Bank);

- (b) all fees, costs and expenses incurred, by the Brand Business in connection with the close-out or termination of any hedging arrangements in respect of which the Brand Business was a party (including without limitation in respect of interest rate, exchange rate and commodity price risk hedging);
- (c) all costs, fees and expenses (and the Taxes on them) including advisory or fees for operational/consulting arrangements for any IPO and/or any attempt to implement an IPO, any (aborted or otherwise) corporate finance, M&A and related transactions of the Group; and
- (d) any costs, fees and expenses (and the taxes on them) and all stamp duty, registration and other similar taxes incurred by or on behalf of the Group and any of its Holding Companies in connection with the refinancing (whether in part or in full) of the Facilities and the negotiation, preparation, execution, notarisation and registration of any documentation in relation to such refinancing (including, for the avoidance of doubt, any related hedging costs and all payments made to any hedging banks).

"Transaction Documents" mean the Secured Documents, the Transfer Documents and the Equity Documents.

"Transaction Security" means the Security created or expressed to be created in favour of the Security Agent for the benefit of the Secured Parties pursuant to the Security Documents.

"Transfer Documents" has the meaning ascribed to such term in the Restructuring Term Sheet.

"Treasury Transaction" means any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price.

"UK Bail-In Legislation" means (to the extent that the United Kingdom is not an EEA Member Country which has implemented, or implements, Article 55 BRRD) Part I of the United Kingdom Banking Act 2009 and any other law or regulation applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (otherwise than through liquidation, administration or other insolvency proceedings).

"Utilisation" means any utilisation of a Facility.

"Write-down and Conversion Powers" means:

- (a) in relation to any Bail-In Legislation described in the EU Bail-In Legislation Schedule from time to time, the powers described as such in relation to that Bail-In Legislation in the EU Bail-In Legislation Schedule;
- (b) in relation to any other applicable Bail-In Legislation:
 - (i) any powers under that Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers; and
 - (ii) any similar or analogous powers under that Bail-In Legislation; and
- (c) in relation to any UK Bail-In Legislation:
 - (i) any powers under that UK Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person

or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that UK Bail-In Legislation that are related to or ancillary to any of those powers; and

- (ii) any similar or analogous powers under that UK Bail-In Legislation.