

IMPORTANT NOTICE

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN OR INTO, OR TO ANY PERSON LOCATED OR RESIDENT IN, ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO RELEASE, PUBLISH OR DISTRIBUTE THIS DOCUMENT.

You must read the following disclaimer before continuing. The Consent Solicitation Memorandum following this page (the “**Consent Solicitation Memorandum**”) is made available by FF Group Finance Luxembourg II SA (the “**Issuer**”) and Folli Follie Commercial Manufacturing and Technical SA (the “**Guarantor**”) to all holders of the Notes (as defined below), on the basis of the confirmations set out in this important notice to the Issuer, the Guarantor and the other entities specified below.

In accessing the attached Consent Solicitation Memorandum, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any related information from any of the Issuer, the Guarantor, or Lucid Issuer Services Limited (the “**Tabulation and Information Agent**”).

Confirmation of Your Representation: You have received the attached Consent Solicitation Memorandum at your request and, by accessing the Consent Solicitation Memorandum, you shall be deemed to have represented to the Issuer, the Guarantor, and the Tabulation and Information Agent that:

- (a) you are a holder or beneficial owner of the Issuer’s CHF 150,000,000 3.25 per cent. Notes due 2021 (ISIN: CH0385518052) guaranteed by the Guarantor (the “**Notes**”);
- (b) you will not pass on the Consent Solicitation Memorandum to third parties or otherwise make the Consent Solicitation Memorandum publicly available;
- (c) you are a person to whom it is lawful to send the attached Consent Solicitation Memorandum or to make the Consent Solicitation available under applicable law;
- (d) you are not a Sanctions Restricted Person (as defined in the Consent Solicitation Memorandum);
- (e) you consent to delivery by electronic transmission; and
- (f) you have understood and agreed to the terms set out in this disclaimer.

The Consent Solicitation Memorandum has been sent or otherwise made available to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of the Issuer, the Guarantor, the Tabulation and Information Agent, or any person who controls any of the Issuer, the Guarantor, the Tabulation and Information Agent, or any of their respective directors, officers, employees or agents, nor any affiliate of any such person, nor any other person, accepts any liability or responsibility whatsoever in respect of any difference between the Consent Solicitation Memorandum distributed to you in electronic format and the hard copy version available to you on request from the Tabulation and Information Agent.

You are reminded that the Consent Solicitation Memorandum has been delivered to you on the basis that you are a person into whose possession the attached Consent Solicitation Memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located or to which you are otherwise subject, and you may not, nor are you authorised to, deliver the Consent Solicitation Memorandum to any other person.

Nothing in this electronic transmission constitutes an offer of, an offer to purchase or the solicitation of an offer to purchase or sell any securities in the United States or any other jurisdiction.

The distribution of the Consent Solicitation Memorandum in certain jurisdictions may be restricted by law, and persons into whose possession the Consent Solicitation Memorandum comes are requested to inform themselves about, and to observe, any such restrictions.

CONSENT SOLICITATION MEMORANDUM DATED 14 FEBRUARY 2020

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you have any doubt as to the action you should take, you are recommended to seek your own independent legal, regulatory, tax, business and financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent adviser (financial or otherwise). This document should not be forwarded or distributed to another person and should not be reproduced in any manner whatsoever. Any forwarding, distribution or reproduction of this document in whole or in part is unauthorised. If you have recently sold or otherwise transferred your entire holding(s) of the Notes referred to below, you should immediately forward this document to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.



Solicitation of consents and invitation by
**Folli Follie Commercial Manufacturing
and Technical SA**

(a company incorporated with limited liability in the Hellenic Republic)
(the “**Guarantor**”)
as the guarantor of the CHF 150,000,000 3.25 per cent. Notes due 2021 (ISIN: CH0385518052)
(the “**Notes**”) issued by the Issuer (as defined below)

and

FF Group Finance Luxembourg II SA
*(a public limited liability company (société anonyme) incorporated and registered in Grand Duchy of
Luxembourg with registered number B 211 122) (the “**Issuer**”)*
as the issuer of the Notes

to each of the holders of the outstanding Notes
*to approve by Ordinary Resolution at a Meeting the Term Sheet and the Guarantor’s continued finalisation of the Key
Documents*

THE CONSENT SOLICITATION (AS DEFINED BELOW) WILL COMMENCE ON 14 FEBRUARY 2020 AND EXPIRE AT 10:00 A.M. (ZURICH TIME) ON 4 MARCH 2020, UNLESS OTHERWISE EXTENDED OR EARLIER TERMINATED (SUCH DATE AND TIME, AS THE SAME MAY BE EXTENDED OR EARLIER TERMINATED, THE “**SOLICITATION DEADLINE**”).

SUBJECT TO APPLICABLE LAW AND THE NOTES TERMS, THE ISSUER MAY, IN ITS SOLE DISCRETION, TERMINATE OR AMEND THE CONSENT SOLICITATION AT ANY TIME PRIOR TO THE SOLICITATION DEADLINE.

The Guarantor and the Issuer are soliciting consents (the “**Consent Solicitation**”) from holders of the outstanding Notes (the “**Noteholders**”), subject to the terms and conditions set forth in this Consent Solicitation Memorandum (as it may be amended or supplemented in accordance with its terms by the Guarantor and the Issuer), to approve by Ordinary Resolution (as defined below) at a meeting of the Noteholders (the “**Meeting**”): (i) the plan of restructuring as set forth in the term sheet annexed hereto as Annex B (the “**Term Sheet**”) subject to any permitted changes; and (ii) the Guarantor’s continued finalisation of the Key Documents (as defined below) (the “**Proposal**”). In parallel with the Consent Solicitation, the Guarantor is continuing to finalise and discuss the Key Documents with third parties. See the section entitled “*The Consent Solicitation -Description of the Proposal*”.

Noteholders may attend the Meeting and vote as further detailed herein. See “*The Consent Solicitation—Voting*”.

The notice convening the Meeting (the “**Notice**”) will be published on the website of the SIX Swiss Exchange (where notices are currently published under the address http://www.six-swiss-exchange.com/news/official_notices/search_en.html) in accordance with clause 15 (d) and 13 of the Notes Terms (as defined below) on the date hereof and will give notice that the Meeting will be held in accordance with clause 15 (e) of the Notes Terms at Park Hyatt Zurich, Beethovenstrasse 21, 8002 Zurich, Switzerland, meeting rooms Shanghai and Chicago, at 11:00 a.m. (Zurich time) on 6 March 2020. The form of the Notice is attached hereto as Annex A. At the Meeting, the Noteholders will be invited to consider and, if thought fit, pass the Ordinary Resolution.

Questions or requests for further information and assistance in connection with attending and voting at the Meeting, and any requests for documentation may be directed to Lucid Issuer Services Limited (the “**Tabulation and Information Agent**”), at Tankerton Works, 12 Argyle Walk, London WC1H 8HA, United Kingdom or by telephone on +44 20 7704 0880 or by email to ff@lucid-is.com.

An Ordinary Resolution will be approved only if holders of the Notes representing a majority of not less than fifty-one (51) per cent. of the votes cast (the “**Requisite Consent**”) approve such Ordinary Resolution at the Meeting, provided that the Meeting is duly convened and constituted by a quorum of one or more persons present in person holding Notes or being proxies or representatives and holding or representing in the aggregate not less than twenty-five (25) per cent. in the aggregate principal amount of the Notes for the time being outstanding (the “**Requisite Quorum**”).

If the Requisite Consent in respect of the Notes is obtained, each Noteholder will be bound by the Ordinary Resolution, whether or not a particular Noteholder delivered a related valid Consent in respect of, or was present at the Meeting and voted in favour of, such Ordinary Resolution. Provided that the terms of the Key Documents are finalised, the Guarantor and the Issuer expect to solicit the consents (the “**Second Consent Solicitation**”) of the Noteholders to (i) the terms of the Key Documents and (ii) the implementation of the Rehabilitation Plan (as defined below).

Noteholders should be aware that, if the Ordinary Resolution is passed, the final terms of the Restructuring Transaction set out in the Term Sheet may be materially less or more favourable to the Noteholders and the interests of the Noteholders.

Subject to applicable law and the Notes Terms, the Issuer may, in its sole discretion, extend, terminate or amend (subject as provided herein) the Consent Solicitation at any time. The Issuer shall notify the Noteholders of any extension, termination or amendment of the Consent Solicitation as set out below. See the section entitled “*The Consent Solicitation □ Extensions; Amendment; Termination*”.

Any questions and requests for assistance with regard to the procedures for participating in the Consent Solicitation or for additional copies of this Consent Solicitation Memorandum may be directed to the Tabulation and Information Agent, at the address, telephone number and email address set forth in the section entitled “*Tabulation and Information Agent*” of this Consent Solicitation Memorandum.

In accordance with normal and accepted practice, the Tabulation and Information Agent does not express any opinion as to the merits of the Consent Solicitation. The Tabulation and Information Agent does not

make any representation that all relevant information has been disclosed to the Noteholders in or pursuant to this Consent Solicitation Memorandum, the Notice or any other document(s). Furthermore, the Tabulation and Information Agent does not make any assessment of the impact of the Consent Solicitation on the interests of the Noteholders either as a class or as individuals and makes no recommendations on the Consent Solicitation or whether acceptance of, or Consents to, the Proposal should be made or given. Accordingly, the Tabulation and Information Agent recommends that Noteholders who are unsure of the consequences of the Consent Solicitation, the Proposal or the Ordinary Resolution should seek their own financial, tax and legal advice as soon as possible.

IMPORTANT INFORMATION

This Consent Solicitation Memorandum contains important information, which should be read before any decision is made with respect to participation in the Consent Solicitation.

The Consent Solicitation is not being made to, and no action is being solicited from, Noteholders in any jurisdiction in which it is unlawful to make such Consent Solicitation or take such action. The Issuer or the Guarantor may, however, in their sole discretion, subject to applicable law, take such actions as they may deem necessary to solicit votes in any jurisdiction and may extend the Consent Solicitation to, and solicit votes from, persons in any such jurisdiction.

This Consent Solicitation Memorandum does not constitute or form part of, and should not be construed as, an offer for sale or subscription of, or a solicitation of any offer to buy or subscribe for, any securities of the Issuer, the Guarantor or any other entity. The distribution of this Consent Solicitation Memorandum and the making of the Consent Solicitation may be restricted by law in certain jurisdictions. Persons into whose possession this Consent Solicitation Memorandum comes are required by the Issuer, the Guarantor, and the Tabulation and Information Agent to inform themselves about, and to observe, any such restrictions. This Consent Solicitation Memorandum does not constitute a solicitation in any circumstances in which such solicitation is unlawful. None of the Issuer, the Guarantor, or the Tabulation and Information Agent will incur any liability for its own failure or the failure of any other person or persons to comply with the provisions of any such restrictions.

This Consent Solicitation Memorandum has not been filed with or reviewed by any federal or state securities commission or regulatory authority of any jurisdiction, nor has any such commission or authority passed upon the accuracy or adequacy of the Consent Solicitation. Any representation to the contrary is unlawful and may be a criminal offence.

UNDER NO CIRCUMSTANCES SHOULD ANY PERSON TENDER OR DELIVER NOTES IN CONNECTION WITH THE CONSENT SOLICITATION AT ANY TIME.

No person is authorised in connection with the Consent Solicitation to give any information or to make any representation not contained in this Consent Solicitation Memorandum, and any such information or representation must not be relied on as having been authorised by or on behalf of the Issuer, the Guarantor, or the Tabulation and Information Agent or any of their respective affiliates. None of the Tabulation and Information Agent or any of their respective affiliates has separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility nor liability is accepted by the Tabulation and Information Agent or any of their respective affiliates as to the accuracy or completeness of the information contained in this Consent Solicitation Memorandum or any other information provided by it in connection with the Consent Solicitation.

None of the Issuer, the Guarantor, the Tabulation and Information Agent or any of their respective affiliates accepts any responsibility for this Consent Solicitation Memorandum or the Consent Solicitation or owes any duty to any Noteholder, including any losses a Noteholder may incur in connection with the Consent Solicitation.

None of the Issuer, the Guarantor, or the Tabulation and Information Agent or any of their respective affiliates makes any representation or recommendation, express or implied, to any Noteholder as to: (i) this Consent Solicitation Memorandum; (ii) the condition, financial or otherwise, of the Issuer, the Guarantor or any of their subsidiaries or affiliates; (iii) whether or not to participate in the Consent Solicitation; or (iv) any other matter in connection with the Consent Solicitation. Noteholders must make their own independent decisions and seek their own independent advice as to whether to participate in the Consent Solicitation and to attend and vote at the Meeting (in person or by proxy).

The Tabulation and Information Agent owes no duty to any Noteholder.

Notwithstanding the Consent Solicitation, the Notes may continue to be traded, save for Notes that are subject to a Blocking Certificate and/or a possible suspension of trading by SIX. See “—*Important Voting Information*”.

Responsibility

This Consent Solicitation Memorandum has been issued by and is the sole responsibility of the Guarantor and the Issuer, and is only for circulation to (i) Noteholders and (ii) other persons to whom it may lawfully be issued in accordance with any applicable law (any person satisfying these criteria being referred to as a “**relevant person**”). This Consent Solicitation Memorandum may not be acted upon by anyone who is not a relevant person.

Important Voting Information

Each person who produces a Blocking Certificate in respect of its holding of Notes relating to the Meeting is entitled to attend and to vote on the resolutions proposed at the Meeting. Trading in the Notes might be suspended by SIX in connection with the Meeting. Whether or not trading will be suspended is in the entire discretion of SIX.

Such Noteholder may: (i) approve the Ordinary Resolution by attending and voting at the Meeting (in person or by proxy), as it sees fit; or (ii) vote against the Ordinary Resolution by attending and voting at the Meeting (in person or by proxy), as it sees fit.

Noteholders who are not willing or able to participate at the Meeting can be represented by a duly authorized third person evidenced by a proxy or by using the proxy form attached hereto as Annex C (the “Proxy Form”).

Blocking Certificates shall either be delivered to the Tabulation and Information Agent together with the Proxy Form (if the respective Noteholder is not willing or able to participate at the Meeting) in respect of the Meeting or any adjourned Meeting no later than 4 March 2020 or in respect of any adjourned Meeting no later than two (2) Business Days prior to such adjourned Meeting, or presented at the Meeting. Each participating Noteholder or its representative must show a valid legal identification document (passport or identification card) for identification purposes. Voting materials will be distributed at the Meeting upon proper identification.

The voting rights of the Holders shall be determined according to the principal amount of the outstanding Notes held. Each Note in denomination of CHF 5,000 shall be entitled to one (1) vote.

New Blocking Certificates need to be delivered to the Tabulation and Information Agent for each adjourned Meeting.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements set forth in this Consent Solicitation Memorandum contain “forward-looking statements,” that involve a number of risks and uncertainties. Certain such forward-looking statements can be identified by the use of forward-looking terminology such as “believes”, “expects”, “may”, “are expected to”, “intends”, “will”, “will continue”, “should”, “would be”, “seeks”, “approximately” or “anticipates” or similar expressions or the negative or other variations thereof or comparable terminology. These forward-looking statements include all matters that are not historical facts. Although forward-looking statements reflect management’s good faith beliefs, reliance should not be placed on forward-looking statements because they involve known and unknown risks, uncertainties and other factors, which may cause actual results, performance or achievements to differ materially from anticipated future results, performance or achievements expressed or implied by such forward-looking statements. The Guarantor and the Issuer do not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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SELECTED DEFINITIONS

In this Consent Solicitation Memorandum, the following words and expressions have, unless the context otherwise requires, the meanings set out opposite them below. All dates and times set out in the definitions below are subject to amendment.

AssetsCo	Has the meaning given to it in the Term Sheet.
AssetsCo Shareholders Agreement	The agreement governing the AssetsCo Shares and the rights and obligations of the holders of AssetsCo Shares.
AssetsCo Shares	Has the meaning given to it in the Term Sheet.
Bankruptcy Code	The Greek law 3588/2007 in force as at the date of this Consent Solicitation Memorandum.
Beneficial Owner	A person who is the owner of an interest in a particular principal amount of the Notes.
Blocking Certificate	Certificate in respect of Notes issued by a bank dated at the latest by 4 March 2020 and confirming that the respective Notes are deposited in a securities account (<i>Effektenkonto</i>) with that bank and will remain so deposited with such bank during a period beginning at the date of such certificate until and including the date of the Meeting, and that the bank has not issued any other such certificate with respect to such Notes.
Business Day	A day (other than a Saturday or Sunday) on which banks generally are open for business in Zurich, London, Frankfurt, Athens and Luxembourg (other than for online banking services only).
Clearing System	SIX SIS.
Consent Solicitation	The consent solicitation to Noteholders set out in this Consent Solicitation Memorandum.
Creditors	Has the meaning given to it in the Term Sheet.
Direct Participant	A person who is shown in the records of the Clearing System as a holder of an interest in the Notes.
Documents Update Deadline	10:00 a.m. (Zurich time) on 27 February 2020 or, in the case of an adjourned Meeting, the deadline stipulated in any notice convening such adjourned Meeting.
Eurobonds	Means the € 249,500,000 1.75 per cent. Guaranteed Exchangeable Notes due 2019 issued by FF Group Finance Luxembourg S.A. and guaranteed by the Guarantor.
Greek Court	The Athens Multi-Member Court of First Instance.
Group	The Guarantor and its subsidiaries, including (without limitation) the Issuer.
Guarantor	Folli Follie Commercial Manufacturing and Technical SA.
Issuer	FF Group Finance Luxembourg II SA.
Key Documents	The (a) Term Sheet; (b) the Restructuring Agreement; (c) the AssetsCo

Shareholders Agreement; (d) the OpsCo Shareholders Agreement; and (e) the New Notes Trust Deed.

Meeting	The meeting convened for the Noteholders to be held at 11:00 a.m. (Zurich time) on 6 March 2020 for the purpose of voting on the Ordinary Resolution. Unless the context otherwise requires, “Meeting” shall include any adjourned meeting of the Noteholders.
New Notes Trust Deed	Means the trust deed governing the terms of the New Notes.
Noteholder	A holder of the Notes which shall, unless the context otherwise requires, include: (a) each Direct Participant in respect of the Notes; (b) any broker, dealer, commercial bank, trust company, custodian or other nominee or intermediary who holds Notes on behalf of a Beneficial Owner; and (c) each Beneficial Owner of Notes.
Notes	CHF 150,000,000 3.25 per cent. Notes due 2021 of the Issuer guaranteed by the Guarantor.
Notes Terms	The terms of the Notes as included in the prospectus dated 31 October 2017 regarding the Notes.
Notice	The notice dated 14 February 2020 published on the website of SIX pursuant to clause 15 (d) and 13 of the Notes Terms.
OpsCo	Has the meaning given to it in the Term Sheet.
OpsCo Shareholders Agreement	The agreement governing the OpsCo Shares and the rights and obligations of the holders of OpsCo Shares.
OpsCo Shares	Has the meaning given to it in the Term Sheet.
Ordinary Resolution	The ordinary resolutions to be voted on in the Meeting.
Proposal	The proposal made by the Guarantor to the Noteholders described in the section entitled “ <i>The Consent Solicitation-Description of the Proposal</i> ” of this Consent Solicitation Memorandum.
Rehabilitation Plan	The rehabilitation plan of the Group which will be annexed to the Restructuring Agreement and submitted by the Guarantor for approval to the Greek Court pursuant to articles 106b and 106d of the Greek Bankruptcy Code.
Requisite Consent	The passing of the Ordinary Resolution by a majority of not less than fifty-one (51) per cent. of the votes cast at the Meeting, provided that the Requisite Quorum has been met.
Requisite Quorum	One or more persons present in person holding Notes or being proxies or representatives and holding or representing in the aggregate not less than twenty-five (25) per cent. in principal amount of the Notes for the time being outstanding.

In the event that the Requisite Quorum is not obtained at such first Meeting, an adjourned Meeting will be convened to take place. The latest date that the Guarantor intends to call any adjourned Meeting will be 30

March 2020.

Restructuring	Means the restructuring of the Group's liabilities and the corporate reorganisation of the Group, pursuant to the Rehabilitation Plan and the Key Documents.
Restructuring Agreement	Has the meaning given to it in the Term Sheet.
Restructuring Effective Date	The date on which the Greek Court approves the Rehabilitation Plan.
Restructuring Transaction	The Rehabilitation Plan, the Key Documents, the Restructuring and all ancillary documentation relating thereto.
Sanctioned Country	Any country or region subject from time to time to any sanctions administered by any Sanctions Authority.
Sanctions Authority	Means: <ul style="list-style-type: none">(a) the United States government;(b) the United Nations;(c) the European Union (or any of its member states and including, without limitation, the United Kingdom);(d) Switzerland;(e) any other equivalent governmental or regulatory authority, institution or agency which administers economic, financial or trade sanctions; or(f) the respective governmental institutions and agencies of any of the foregoing including, without limitation, the Office of Foreign Assets Control of the US Department of the Treasury, the United States Department of State, the United States Department of Commerce and Her Majesty's Treasury, the Swiss State Secretariat for Economic Affairs SECO and/or the Swiss Directorate of Public International Law.
Sanctions Restricted Person	Each person or entity <ul style="list-style-type: none">(a) located, domiciled, resident, incorporated in, or being part of a Sanctioned Country,(b) subject to any sanctions or named on any sanctions list administered by any Sanctioning Authority, or(c) owned or controlled by persons, entities or other parties referred to in (a) to (b).
Schuldschein	Means the 31m Schuldschein and 20m Schuldschein.
SIX	Means SIX Swiss Exchange.
Solicitation Deadline	10:00 a.m. (Zurich time) on 4 March 2020 (subject to the right of the Issuer to extend, re-open and/or terminate the Consent Solicitation, subject to applicable law and the provisions of the Notes Terms).
Tabulation and Information Agent	Lucid Issuer Services Limited.

Term Sheet	The term sheet setting out the proposed terms of the Rehabilitation Plan and the Restructuring attached hereto as Annex B (as may be amended and/or modified at or prior to the Documents Update Deadline, as described in the section entitled “ <i>The Consent Solicitation – Approval of the Term Sheet</i> ” of this Consent Solicitation Memorandum).
20m Schuldschein	Means the €20,000,000 Schuldschein loan due 2021 issued by the Issuer and guaranteed by the Guarantor.
31m Schuldschein	Means the €31,000,000 Schuldschein loan due 2021 issued by the Issuer and guaranteed by the Guarantor.

EXPECTED TIMETABLE OF EVENTS

Set out below is the timetable applicable to the Consent Solicitation. The “*Principal Timetable*” as set out below applies where the Meeting is quorate for the purposes of approving the Ordinary Resolution. All times refer to local time in Zurich.

Principal Timetable

The following expected timetable assumes that the Meeting is quorate within thirty (30) minutes from the time fixed for the Meeting on the date on which it is first convened and, accordingly, no adjourned Meeting is required.

Noteholders should inform themselves of any earlier deadlines that may be imposed by any intermediaries.

Date and Time	Action
14 February 2020	Publication of this Consent Solicitation Memorandum. Notice of the Meeting published on the website of SIX and available at the head office of the Issuer and at UBS AG, Bahnhofstrasse 45, CH-8001 Zurich, Switzerland, in accordance with clause 15 (d) and 13 of the Notes Terms. This Consent Solicitation Memorandum and documents referred to in the Notice are made available in electronic form from the Tabulation and Information Agent.
27 February 2020 (10:00 a.m.)	Deadline for the Guarantor and the Issuer to notify the Noteholders of any amendments and/or modifications to the terms of the Term Sheet.
4 March 2020 (11:00 a.m.)	Deadline for submission of Blocking Certificates and Proxy Forms to the Tabulation and Information Agent.
6 March 2020 (beginning 11:00 a.m.)	Meeting held at Park Hyatt Zurich, Beethovenstrasse 21, 8022 Zurich, Switzerland, meeting rooms Shanghai and Chicago.
20 March 2020 (beginning 11:00 a.m.)	To the extent that the Requisite Quorum is not met at the first Meeting, the earliest date on which an adjourned Meeting may be held.
As soon as reasonably practicable after the conclusion of the Meeting (or an adjourned Meeting, as the case may be)	Announcement of the results of the Meeting (or an adjourned Meeting, as the case may be) and whether the Ordinary Resolution has passed.

If the Meeting is adjourned, the relevant times and dates set out above will be modified accordingly and will be set out in the notice convening such adjourned Meeting, which shall be published using the same means of publication as used for the Notice of the first Meeting.

If either the Issuer or the Guarantor is required to make an announcement relating to matters set out in this Consent Solicitation Memorandum, any such announcement will, unless stated otherwise, be made in accordance with the Notes Terms and all applicable rules and regulations via an announcement released through SIX.

Copies of all such announcements and notices can also be obtained from the Tabulation and Information Agent, the contact details set out in the section entitled “*Tabulation and Information Agent*” of this Consent Solicitation Memorandum. In addition, Noteholders may contact the Tabulation and Information Agent for information relating to the procedures for voting in respect of the Consent Solicitation on the telephone number and email address set out in the section entitled “*Tabulation and Information Agent*” of this Consent Solicitation Memorandum.

THE BACKGROUND

Noteholders should carefully review the below description of the background to the Restructuring prior to attending and voting at the Meeting (in person or by proxy).

Noteholders should be aware that, if the Ordinary Resolution is passed, the final terms of the Restructuring Transaction may differ significantly from the terms set out in the Term Sheet and may be less or more favourable to the Noteholders and the interests of the Noteholders.

Background to the Restructuring

The Group comprises a multinational fashion business operating in four core segments: (i) jewellery, watches and accessories; (ii) cosmetics; (iii) fashion; and (iv) department stores. The Group has significant operations in Europe, the People's Republic of China, Hong Kong, and Japan. The Guarantor functions as the ultimate holding company of the Group, and is incorporated in Greece and listed on the Athens Stock Exchange. The Issuer is a subsidiary of the Guarantor and is a public limited liability company (*société anonyme*) incorporated and registered in Grand Duchy of Luxembourg.

The financial difficulties currently faced by the Group were caused by the long-term underperformance of several business units within the Group's overall operations. This underperformance was concealed for a prolonged period due to serious accounting issues in a number of its Asian subsidiaries, which led to a material overstatement of sales, earnings and cash balances in the Group's consolidated financial statements. These issues were alleged publicly in a report produced by an investment fund, Quintessential Capital Management, in May 2018 (the "**Quintessential Capital Management Report**"). As a result of the negative publicity caused by the publication of the Quintessential Capital Management Report, the trading in the Guarantor's shares on the Athens Stock Exchange was halted at the Guarantor's request on 25 May 2018. These developments affected the confidence of the Group's financing providers, trading counterparties and suppliers, which has in turn led to a significant increase in working capital requirements and increased the pressure on the Group's liquidity position.

Since May 2018, the Guarantor and the Group have taken various steps to investigate the allegations contained in the Quintessential Capital Management Report, including appointing Alvarez & Marsal in June 2018 to undertake a forensic evaluation of the most recent financial statements of the Group's Asian subsidiaries. A preliminary report by Alvarez & Marsal was presented to the Guarantor's board of directors in September 2018 which showed that the assets and revenue of the Group's Asian subsidiaries had been significantly overstated. The headline conclusions of Alvarez & Marsal's preliminary report were released to the market on 26 September 2018. To produce a restated set of financial statements, the Guarantor engaged PricewaterhouseCoopers for a special purpose audit of the Guarantor's corporate and consolidated financial statements for the financial year ended 31 December 2017. The audit was completed, and the revised financial statements were published on 15 July 2019 and approved by an ordinary general meeting of the Guarantor's shareholders on 10 September 2019. Furthermore, the Group is pursuing legal actions in Greece and Hong Kong against certain directors and officers of the Group's Asian subsidiaries based on the findings of Alvarez & Marsal's report. Additionally, the Guarantor consented to the request filed by the Hellenic Capital Market Commission ("**HCMC**") with the Athens Single-Member Court of First Instance regarding the conduct of a management audit to the Group's financial statements for the fiscal year 2017. Said management audit is already in progress, by virtue of an engagement letter between the Guarantor and PricewaterhouseCoopers, which was appointed by said Court.

In December 2018, the Guarantor launched a consent solicitation (the "**December Consent**") seeking an extraordinary resolution of the holders of the Eurobonds to approve the terms of a term sheet agreed with a committee of unsecured creditors, including the holders of the Eurobonds and the lenders of the *Schuldschein*, represented by Latham & Watkins LLP (the "**Ad Hoc Group**"), amongst other matters. The requisite majority of the holders of the Eurobonds required to approve the extraordinary resolutions proposed as part of the December Consent was not reached and the December Consent was subsequently withdrawn. A further revised term sheet was agreed in principle with the Ad Hoc Group in February 2019 (the "**February Term Sheet**"), however, after further discussions between the Guarantor and the Ad Hoc Group, it became clear that the February Term Sheet was not capable of implementation for a variety of reasons.

The Guarantor entered into further discussions with the advisors of the Ad Hoc Group, an informal group of holders of the Notes and various creditors and stakeholders of the Group regarding the terms of its proposed Restructuring, aiming to ensure its operational and financial turnaround. As a result of these discussions, in

November 2019, the Guarantor reached an in principle agreement reflected in the Term Sheet. At the date that the in principle agreement documented in the Term Sheet was reached, the Ad Hoc Group held approximately 26.4% of the principal amount of the Eurobonds then outstanding and 100% of the Schuldschein. The informal group included holders of the Notes holding approximately 34.2% of the Notes then outstanding and holders of the Eurobonds holding approximately 6.7% of the Eurobonds then outstanding.

The Guarantor and the Group have also taken steps to prepare for an operational turnaround and restructuring of the Group, including the following:

- (a) the enhancement of the composition of the Guarantor’s board of directors with new members with experience in economics, distribution and retail, and the appointment of independent members to the Group’s audit committee;
- (b) the appointment of Mr. George Samios as the Group’s chief executive officer;
- (c) in respect of the Group’s operations in Asia, the appointment of Mr. Yiannis Grispos as chief financial officer and the appointment of Mr. Steven Yaung as chief operating officer of the Group’s Asian subsidiaries;
- (d) the implementation of cash conservation measures to preserve the Group’s short-term liquidity position;
- (e) the development of a revised business plan for the operational turnaround and restructuring of the Group in co-operation with Deloitte;
- (f) the signing of the Term Sheet on the proposed financial restructuring plan with a group of Creditors and the delivery to all Noteholders of a consent solicitation memorandum dated 14 February 2020 in order to obtain the consent by the required percentage of creditors for the purpose of the Restructuring Agreement proposed in the Term Sheet;
- (g) the negotiation and finalization of the other Key Documents;
- (h) the approval of the execution of the updated Term Sheet by the board of directors of the Guarantor; and
- (i) the acquisition of the entire intellectual property portfolio of the Group’s subsidiary, Links (London) Limited (“LoL”), by virtue of an agreement with LoL’s Administrator, enabling the Group to re-establish the Links of London business free of previous liabilities, as an important part of the Rehabilitation Plan.

Rationale for the Restructuring

The Restructuring is intended to effect a corporate reorganisation of the Group and its assets and a restructuring of the Group’s existing liabilities to reduce the Group’s overall debt to a sustainable level. The corporate reorganisation is intended to reshape the Group by transferring core business assets and operations to a new operations company (“OpsCo”) and transferring non-core and real assets to a new asset holding company (“AssetsCo”) that does not form part of the Group. AssetsCo and OpsCo are to be ring-fenced from the liabilities of the Existing Group to create a liability-free asset for the benefit of the creditors in the case of AssetsCo and a “clean” business with which to effect a turnaround in the case of OpsCo. The revisions made to the business plan are intended to enable the Group to develop and implement an effective turnaround plan focusing on the key restructuring initiatives of brand and real estate portfolio rationalisation, back office cost-rationalisation, ceasing margin erosion, store network optimisation, and the transformation in the Group’s operating model to reflect the fast-moving changes in consumer behaviour in the retail sector. As part of the Restructuring, the Rehabilitation Agreement will be filed in the Greek Court under the pre-pack rehabilitation procedure pursuant to articles 106b and 106d of the Bankruptcy Code, which allows the rationalisation of the Group’s capital and corporate structure to be ratified by the Greek Court. The final element of the Restructuring is a reduction in its debt burden, to be executed by way of a note exchange and conversion of the majority of the Group’s outstanding debt into equity.

Pre-Pack Rehabilitation Agreement under the Greek Bankruptcy Code

Parts of the Restructuring Transaction will be effected by way of the procedure contained in Articles 106b and 106d of the Greek Bankruptcy Code, which allows a debtor to negotiate a rehabilitation agreement with its creditors that is subsequently filed with the Greek Court and ratified. The rehabilitation agreement may include

terms with the object of, among other things, debt capitalisation, the reduction of claims against the debtor, the disposal of the debtor's assets, the transfer of the debtor's enterprise in whole or in part, and the suspension of individual and collective actions by creditors for some period after the ratification of the agreement. Article 106d of the Greek Bankruptcy Code enables all or any part of a debtor's business and undertaking to be transferred to a newly established company (including a company established by the debtor's existing creditors) in connection with a rehabilitation agreement, subject to the preparation of a financial report that has to be certified by a chartered accountant which is submitted to the Greek Court in support of the application.

The Greek Court may ratify the rehabilitation agreement if:

- (a) it is signed by 40 per cent. in value of the debtor's secured creditors and 60 per cent. in value of all of the debtor's creditors;
- (b) if following the ratification, the debtor's business will become viable;
- (c) if the collective satisfaction of the creditors is not impaired, which means that non-signatory creditors receive at least as much as they would receive through enforcement proceedings or bankruptcy liquidation;
- (d) the rehabilitation agreement treats creditors who are in the same position on the basis of the principle of equal treatment, and divergences from the principle of equal treatment among creditors are allowed only on material business or social grounds which are specifically described in the decision of the insolvency court or if the affected creditor consents to that divergence;¹
- (e) if the rehabilitation agreement is not the result of malicious intention, or other unfair act, or *male fide* conduct of the debtor, creditor or third person, or violates any mandatory legislation, such as competition law; and
- (f) if the rehabilitation agreement lifts the debtor out of cessation of payments.

If ratified by the Greek Court, the rehabilitation agreement binds all creditors whose claims are restructured by it, even if they are not contracting parties or did not vote in favour of the rehabilitation agreement. Creditors whose claims arose after the issuance of the decision ratifying the rehabilitation agreement are not bound.

A hearing in respect of the rehabilitation agreement will be set within approximately two months of the submission of the Rehabilitation Plan to the Greek Court. The Greek Court will issue its decision within approximately six to eight months from the date of the hearing. After a decision is issued by the Greek Court, there is an exclusive deadline of 30 days during which third parties may file submissions in respect of that decision. Following the filing date, the debtor receives an automatic moratorium for a four-month period, which may be extended until a decision of the Greek Court in respect of the rehabilitation agreement is issued.

Description of the Restructuring Transaction

The Restructuring Transaction will be effected through a number of steps outlined in the Term Sheet and broadly encompasses the following:

- (a) The incorporation of OpsCo as a new subsidiary owned 51% by the Guarantor and the transfer of the brand, intellectual property, operations, stock and other assets associated with the "Folli Follie" business along with it to OpsCo or its subsidiaries with the purpose of establishing OpsCo as an ongoing concern.
- (b) The incorporation of, and the transfer of the majority of the Group's real property, a 49% holding in OpsCo and certain holdings in the share capital of certain entities to a newly incorporated company (the "AssetsCo").
- (c) The issuance by OpsCo to the Creditors of new debt instruments in the form of high yield notes or term loan and guaranteed by the Guarantor in the amount of up to €60,000,000 (the "New Notes"). The New

¹ Indicatively, favourable treatment may be given to (i) the claims of the debtor's business customers if their non-satisfaction might materially damage the debtor's reputation or its furtherance of the business; (ii) claims which must be satisfied for the maintenance of the creditor; or (iii) labour claims.

Notes will have a term of 5 years, with two potential extensions of 1 year each if the New Notes are not capable of being refinanced on market terms.

The Creditors (including the Noteholders) shall be entitled to receive, directly or indirectly, AssetsCo Shares and New Notes in full and final settlement of certain of the Guarantor's and the Issuer's existing unsecured liabilities. The principal amount of the New Notes and the percentage of the AssetsCo Shares that will be available to the Noteholders shall be determined on the Restructuring Effective Date in accordance with the terms of the Restructuring Agreement, which will provide for allocation of consideration *pro rata* using a spot rate of exchange on the Restructuring Effective Date or other reference date. The Term Sheet provides that, should the arbitration relating to the Group's 804,726 shares in Dufry AG be resolved following the Restructuring, the initial €35,000,000 in proceeds from the sale of such shares will be applied to OpsCo's general working capital requirements, with the balance applied 50% as a special distribution to the Creditors (through AssetsCo), and 50% distributed to OpsCo for either (i) general working capital requirements or (ii) repurchasing New Notes.

The OpsCo Shareholders Agreement and AssetsCo Shareholders Agreement will provide for the governance of the restructured group. Per the Term Sheet, OpsCo's board shall be elected by simple majority, with a reserved B director appointed by the Creditors whose approval will be required for certain reserved matters. Certain reserved matters brought for shareholder vote will require the affirmative vote of 75% of OpsCo Shares. AssetsCo will be governed by a CEO and board of directors that will be entirely selected by the shareholders of AssetsCo.

Following passage of the Ordinary Resolution and approval of the Rehabilitation Plan by the Greek Court, an exchange offer will be made (the "**Exchange Offer**") to Noteholders whereby each Noteholder will have the possibility to tender its Notes in exchange for AssetsCo Shares and New Notes.

As at the date of this Consent Solicitation, the Guarantor and the Issuer are in default of their debt obligations, including in relation to the Notes which have been declared immediately due and payable by UBS AG on 29 October 2018. The Guarantor considers that if it is unable to implement the Restructuring Transaction, it may have to take steps to commence insolvency proceedings that would most likely involve the appointment of a liquidator over the Guarantor in Greece and over the Issuer in Luxembourg, which would likely result in impaired recoveries for creditors (including the Noteholders) when compared to the projected recoveries under the proposed terms of the Restructuring Transaction.

THE CONSENT SOLICITATION

On the terms and subject to the conditions contained in this Consent Solicitation Memorandum, the Issuer and the Guarantor are soliciting the approval of the Proposal by Noteholders by way of an Ordinary Resolution to be approved in accordance with the Notes Terms.

Rationale for the Proposal

The Issuer and the Guarantor making this consent solicitation to facilitate the implementation of the Restructuring Transaction as described further in the section entitled “*The Background*” of this Consent Solicitation Memorandum.

The proposed terms of the Restructuring Transaction (including, without limitation, the Rehabilitation Plan) are set out in the Term Sheet attached hereto as Annex B. Prior to and following the Solicitation Deadline, the Guarantor will finalise and agree the Key Documents and negotiate and agree any necessary ancillary documentation to give effect to the terms of the Rehabilitation Plan. The terms of the Key Documents will be determined and finalised based on the results of the ongoing financial, legal and tax due diligence. Such Key Documents will come into full force and effect forthwith upon the approval of the Rehabilitation Plan by the Greek Court.

The Guarantor and the Issuer acknowledge that, although it is proposed that the terms of the Restructuring Transaction as set out in the Term Sheet be approved by the Ordinary Resolution, the final terms of the Restructuring Transaction may vary following further financial, legal and tax analysis and negotiations between the Group and the Ad Hoc Group (or other Creditors of the Group). Accordingly, in order to facilitate the negotiation, agreement and implementation of the terms of the Restructuring Transaction, the Issuer and the Guarantor are soliciting the approval of the Proposal by the Noteholders in accordance with this Consent Solicitation Memorandum and the Notes Terms.

Description of the Proposal

Approval of the Term Sheet

The Issuer is proposing that the terms of the Restructuring Transaction as set out in the Term Sheet be approved, subject to any amendments, modifications or waivers of any provisions thereof as the Guarantor may, in its sole discretion and acting in good faith, agree with the Ad Hoc Group (or other Creditors).

The Term Sheet outlines the terms of the Rehabilitation Plan between the Guarantor and its stakeholders (including the Noteholders). Under the Term Sheet, the Noteholders will be offered the possibility to exchange their Notes for their proportion of the New Notes and AssetsCo Shares.

It is intended that the Term Sheet appended to this Consent Solicitation Memorandum is in substantially final form. The final terms of the Restructuring Transaction may differ from the terms of the Term Sheet and may be less or more favourable to the Noteholders. Provided that the Guarantor receives approval of the Term Sheet in this Consent Solicitation and finalises the Key Documents, the Issuer is expected to solicit the consents of the Noteholders to the final terms of the Restructuring Transaction and to the Key Documents in the Second Consent Solicitation.

No material changes will be made to the Term Sheet prior to the Documents Update Deadline. The Guarantor or the Issuer will notify the Noteholders of any deviations from the Term Sheet at or prior to the Documents Update Deadline. Following the conclusion of the Meeting (or any adjourned Meeting, as the case may be), the Guarantor may negotiate and agree the Key Documents and any ancillary documentation including changes as may be determined by the results of the ongoing financial, legal and tax due diligence. In addition, further tax analysis may result in structural changes to the terms of the Key Documents, including to the New Notes.

Implementation of the Proposal

The Guarantor expects to implement the Proposal following the Second Consent Solicitation.

The Ordinary Resolution and the Meeting

In order for the Ordinary Resolution to be passed at the Meeting, the Requisite Quorum at the Meeting must be one or more persons present in person holding Notes or being proxies or representatives and holding or representing in the aggregate not less than twenty-five (25) per cent. in principal amount of the Notes for the time being outstanding.

In the event that the Requisite Quorum is not obtained at such first Meeting, an adjourned Meeting will be convened to take place. The Issuer can call further adjourned Meetings, but has decided that the latest date it will call any adjourned Meeting would be 30 March 2020.

The attention of the Noteholders is drawn, in particular, to the quorum required for the Meeting which is set out above. Having regard to such requirements, all Noteholders are strongly urged to take steps to attend the Meeting (in person or by proxy), as referred to in the Notice, as soon as possible.

Attending the Meeting and Voting

Each person who produces a Blocking Certificate in respect of its holding of Notes relating to the Meeting is entitled to attend and to vote on the resolutions proposed at the Meeting. Trading in the Notes might be suspended by SIX in connection with the Meeting. Whether or not trading will be suspended is in the entire discretion of SIX.

Such Noteholder may: (i) approve the Ordinary Resolution by attending and voting at the Meeting (in person or by proxy), as it sees fit; or (ii) vote against the Ordinary Resolution by attending and voting at the Meeting (in person or by proxy), as it sees fit.

Noteholders who are not willing or able to participate at the Meeting can be represented by a duly authorized third person evidenced by a proxy or by using the Proxy Form.

Blocking Certificates shall (i) either be delivered to the Tabulation and Information Agent together with the Proxy Form (if required) in respect of the Meeting or any adjourned Meeting no later than 4 March 2020 or in respect of any adjourned Meeting no later than two (2) Business Days prior to such adjourned Meeting, or (ii) presented at the Meeting. Each participating Noteholder or its representative must show a valid legal identification document (passport or identification card) for identification purposes. Voting materials will be distributed at the Meeting upon proper identification.

The voting rights of the Holders shall be determined according to the principal amount of the outstanding Notes held. Each Note in denomination of CHF 5,000 shall be entitled to one (1) vote.

New Blocking Certificates need to be delivered to the Tabulation and Information Agent for each adjourned Meeting (or presented at such adjourned Meeting).

How do Noteholders obtain a Blocking Certificate?

Noteholders should request their depositary bank, which must be a direct participant in SIS to confirm that their Notes are deposited in a securities account (*Effektenkonto*) with that depositary bank and will remain so deposited with such bank until and including the date of the Meeting and that the bank has not issued any other such certificate with respect to such Notes.

Blocking Certificates which do not contain wording to that effect will not be accepted. Noteholders should be aware that the effect of requesting this confirmation will result in their Notes being blocked from the date of the Blocking Certificate until and including the date of the Meeting or any adjourned Meeting. Noteholders should request the Blocking Certificate in pdf format and send it by email to the Tabulation and Information Agent via ff@lucid-is.com.

How do Noteholders appoint a Proxy?

Noteholders should review the Proxy Form attached as Annex C to this Consent Solicitation Memorandum. Noteholders should complete and sign the Proxy Form and return it in pdf format by email to the Tabulation and Information Agent via ff@lucid-is.com.

Can Noteholders revoke their instructions?

Noteholders may revoke their instructions in writing by email to ff@lucid-is.com no later than the deadline

What is the deadline?

The deadline for return of both the Blocking Certificate and Proxy Form is 11:00 a.m. (Zurich time) on 4 March 2020. Noteholders who miss the deadline will need to attend the Meeting in person if they wish their vote to be cast. They will still be required to bring a copy of their Blocking Certificate and a valid form of photographic identification in order to be able to do so.

Will Noteholders obtain a fee for voting?

No fee or consent payment will be paid to Noteholders who vote in favour or against, whether in person or by proxy.

What happens if Noteholders do not vote?

If the Ordinary Resolution is passed and the Proposal is implemented, all Noteholders will be bound by the Proposal, including those Noteholders who voted against or abstained from voting on the Proposal.

Noteholders may contact the Tabulation and Information Agent if they have any further questions on participating in the Consent Solicitation via email to ff@lucid-is.com.

Noteholders are reminded that the Tabulation and Information Agent cannot make any assessment of the impact of the Consent Solicitation on the interests of the Noteholders either as a class or as individuals and can make no recommendation on the Consent Solicitation or whether acceptance of, or Consents to, the Proposal should be made or given.

The Tabulation and Information Agent recommends that Noteholders who are unsure of the consequences of the Consent Solicitation, the Proposal or the Ordinary Resolution should seek their own financial, tax and legal advice as soon as possible.

UNDER NO CIRCUMSTANCES SHOULD ANY PERSON TENDER OR DELIVER NOTES IN CONNECTION WITH THE CONSENT SOLICITATION AT ANY TIME.

All authority conferred or agreed to be conferred on the Tabulation and Information Agent by a Proxy Form to attend the Meeting and vote in respect of the Notes shall be binding upon the successors, assigns, heirs, executors, administrators, trustees in bankruptcy and legal representatives of the Noteholder and shall not be affected by, and shall survive, the death or incapacity of such Noteholder.

Representations, Warranties, Consents and Agreements

By delivering a Blocking Certificate and/or a Proxy Form to the Tabulation and Information Agent, a Noteholder:

- (a) represents, warrants and undertakes to the Issuer, the Guarantor and the Tabulation and Information Agent that the Notes which are the subject of the Blocking Certificate, may not (and will not) be traded during the period beginning at the date of the Blocking Certificate until and including the date of the Meeting;
- (b) acknowledges that it has received and reviewed, agrees to be bound by and accepts the terms and conditions of, this Consent Solicitation Memorandum, all related documents and the Consent Solicitation;
- (c) consents to and authorises the Tabulation and Information Agent to disclose the identity, holdings of Notes and account details of the Direct Participant and the Beneficial Owners of the Notes to the Issuer, the Guarantor and the Tabulation and Information Agent at the time such Noteholder submits or delivers the Blocking Certificate and/or the Proxy Form or at any time thereafter until the Consent Solicitation is successfully completed or terminated;
- (d) acknowledges that none of the Issuer, the Guarantor or the Tabulation and Information Agent or any of their respective affiliates, directors or employees or any other person has made any recommendation as to whether, or how, to vote in relation to the Ordinary Resolution, and represents that it has made its own decision with regard to voting based on all such legal, tax or financial advice that it has deemed necessary to seek;

- (e) acknowledges that all authority conferred or agreed to be conferred pursuant to these acknowledgements, representations, warranties and undertakings shall be binding upon such Noteholder's successors, assigns, heirs, executors, trustees in bankruptcy and legal representatives and shall not be affected by, and shall survive, the death or incapacity of such Noteholder;
- (f) acknowledges that, other than as set out herein, no information has been provided to it by the Issuer, the Guarantor, or the Tabulation and Information Agent or any of their respective affiliates, directors or employees or any other person with regard to the Consent Solicitation or the tax consequences to Noteholders arising from voting in favour of the Ordinary Resolution, and hereby acknowledges that it is solely liable for any taxes and similar or related payments imposed on it under the laws of any applicable jurisdiction as a result of voting in favour of the Ordinary Resolution, and agrees that it will not and does not have any right of recourse (whether by way of reimbursement, indemnity or otherwise) against the Issuer, the Guarantor or the Tabulation and Information Agent or any of their respective affiliates, directors or employees or any other person in respect of such taxes and payments;
- (g) acknowledges that it is assuming all the risks inherent in participating in the relevant Consent Solicitation and has undertaken all the appropriate analyses of the implications of the Consent Solicitation without reliance on the Issuer, the Guarantor or the Tabulation and Information Agent;
- (h) represents, warrants and undertakes to the Issuer, the Guarantor and the Tabulation and Information Agent that it has full power and authority to vote in the Meeting (or any adjourned Meeting, as the case maybe);
- (i) acknowledges that each decision is made on the terms and conditions set out in this Consent Solicitation Memorandum;
- (j) acknowledges that it gives instructions for the appointment of one or more employees of the Tabulation and Information Agent (nominated by it) as its proxy to attend and vote in respect of the Ordinary Resolution at the Meeting and any adjourned Meeting, as the case may be, in the manner specified in the respective Proxy Form in respect of all of the Notes in respect of which the Blocking Certificates are issued;
- (k) acknowledges that none of the Notes, nor guarantees thereof, have been nor will be registered under the Securities Act, or the securities laws of any state or other jurisdiction of the United States, and the Notes may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons, unless an exemption from the registration requirements of the Securities Act is available (unless otherwise specified, terms used in this paragraph that are defined in Regulation S are used as defined in Regulation S);
- (l) represents, warrants and undertakes that it is not a Sanctions Restricted Person;
- (m) represents, warrants and undertakes that it will, upon request, execute and deliver any additional documents and/or do such other things deemed by the Issuer or the Guarantor to be necessary or desirable to effect the voting in the Meeting or to evidence such power and authority; and
- (n) acknowledges that the Issuer, the Guarantor and the Tabulation and Information Agent will rely on the truth and accuracy of the foregoing acknowledgements, agreements, representations, warranties and undertakings and it shall indemnify the Issuer, the Guarantor or the Tabulation and Information Agent against all and any losses, costs, claims, liabilities, expenses, charges, actions or demands which any of them may incur or which may be made against any of them as a result of any breach of any of the terms of, or any of the acknowledgements, agreements, representations, warranties and/or undertakings given in connection with the Consent Solicitation and/or the implementation of the Proposal.

The representation, warranty and undertaking set out in item (l) above shall only apply to any person if and to the extent that doing so would be permissible pursuant to Swiss law, SIX rules and regulations and any other applicable laws and regulations.

Blocking Certificates and/or Proxy Forms should not be delivered to the Issuer or the Guarantor. Subject to the restrictions described above, the delivery of Blocking Certificates will not further restrict the transferability of the Notes.

By attending and voting at the Meeting, a Noteholder shall be deemed to have made corresponding representations, warranties, consents and agreements to those set out in items (a) to (n) above.

Amendment and Revocation of Proxy Forms

Proxy Forms in favour of the Tabulation and Information Agent delivered by any Noteholder to the Tabulation and Information Agent may be amended or revoked by such Noteholder as to all or any portion of the Notes to which such Proxy Forms relate only by submitting, at or prior to the Meeting, such amendment or revocation to the Tabulation and Information Agent in written form and duly signed.

If the first Meeting is adjourned, Proxy Forms may be amended or revoked at or prior to the adjourned Meeting.

To be effective, a notice of amendment or revocation must: (i) indicate the relevant Proxy Form to be amended or revoked; (ii) contain the aggregate principal amount of Notes to which such amendment or revocation relates; (iii) be in written form and duly signed, and (iv) be received by the Tabulation and Information Agent at or prior to the Meeting.

A revocation shall be effective only as to the Notes listed on such revocation and only if such revocation complies with the revocation procedures set forth in this Consent Solicitation Memorandum. A purported revocation that is not received by the Tabulation and Information Agent at or prior to the Meeting, as the case may be, and accepted as a valid revocation will not be effective to revoke previously furnished Proxy Forms. The Issuer reserves the right to contest the validity of any revocation.

A person who has delivered a valid revocation may thereafter (i) again deliver a Proxy Form, provided that it has delivered, prior to the Meeting, a Blocking Certificate to the Tabulation and Information Agent, or (ii) attend and cast a vote at the Meeting (in person or by proxy).

Extensions; Amendment; Termination

The Consent Solicitation will expire on the Solicitation Deadline, unless otherwise earlier terminated by the Issuer in its sole discretion, subject to applicable law and the Notes Terms. The Issuer expressly reserves the right, subject to applicable law and the Notes Terms, to extend the Consent Solicitation and the Solicitation Deadline at any time and from time to time, whether or not the Requisite Consent has been received. Any such extension will be followed as promptly as practicable by notice of the extension by press release or other public announcement (or by written notice to the Noteholders). Such announcement or notice may state that the Issuer is extending the Consent Solicitation or the Solicitation Deadline, as the case may be, for a specified period of time or on a daily basis.

In addition, the Issuer and the Guarantor expressly reserve the right, subject to applicable law and the Notes Terms: (i) to terminate the Consent Solicitation at any time, whether or not the Requisite Consent has been received; and (ii) to amend the Consent Solicitation at any time prior to the Solicitation Deadline, whether or not the Requisite Consent has been received. Any such action by the Issuer or the Guarantor will be followed as promptly as practicable by notice thereof to the Noteholders in accordance with the Notes Terms. If any such amendment as is referred to in (ii) above is made which, in the opinion of the Issuer and the Guarantor, is materially prejudicial to the interests of the Noteholders, the Ordinary Resolution will not be presented to the Meeting and a new Meeting may be convened by the Issuer to consider a new Ordinary Resolution which incorporates such amendments.

Further Information

Questions or requests for further information and for assistance in connection with voting at the Meeting or the submission or delivery of Blocking Certificates and Proxy Forms may be directed to the Tabulation and Information Agent, Lucid Issuer Services Limited, at Tankerton Works, 12 Argyle Walk, London WC1H 8HA, United Kingdom or by telephone on +44 20 7704 0880 or by email to ff@lucid-is.com.

RISK FACTORS AND OTHER CONSIDERATIONS

Before making a decision with respect to the Consent Solicitation, Noteholders should carefully consider, in addition to the other information contained in this Consent Solicitation Memorandum, the following matters.

Shareholder and investor litigation in the Greek courts

At the date of this Consent Solicitation Memorandum, several groups of investors (comprising minority shareholders and holders of derivative instruments) of the Guarantor had brought claims against the Guarantor under articles 914 et seq. of the Greek Civil Code relating to tort liability arising out of the alleged issuance of false financial statements and subsequent announcements of the Guarantor, based on provisions relating to market manipulation and fraud (the “**Investor Claims**”). The Guarantor estimates that, if successful, the value of the Investor Claims will be at least €13,310,071.52. Following an injunction issued by the Athens Single-Member Court of First Instance, following an application filed by a group of investors, certain of the Guarantor’s bank accounts held in Greece are currently frozen to the value of €1,800,000 in total, while additional amounts may be frozen as a result of existing or new investor claims. It may be possible that other groups of the Guarantor’s investors will commence additional claims against the Guarantor, and the value of such additional claims, if successful, may be considerably higher than the current estimated value of the Investor Claims.

In addition, on 3 October 2019, Notes and Eurobonds investors representing less than 1% of the Guarantor’s total liabilities filed a bankruptcy application with the Greek Court. The hearing has been postponed multiple times, most recently to 8 January 2020, when it was heard before the Court. The Court’s decision is expected to be issued by the end of 2020.

The outcome of the Investor Claims cannot be predicted with certainty and may materially and adversely affect the Group’s business, results of operations, financial condition and prospects. The Guarantor may incur significant legal costs and other expenses in connection with any such Investor Claims, even if the proceedings are ultimately concluded in favour of the Guarantor. The costs of defending proceedings and the outcome of such proceedings could expose the Guarantor to the payment of substantial monetary damages or other penalties which may affect the viability of the Restructuring Transaction.

The Group’s former chief executive officer and certain former directors have been charged with fraud, money-laundering and market-manipulation offences by the Greek authorities

Following a criminal investigation, George Koutsolioutsos, the Group’s former chief executive officer, Dimitris Koutsolioutsos, the Group’s former chairman, and Aikaterini Koutsolioutsos, a former member of the Guarantor’s board of directors, and certain other former directors and officers of the Guarantor were charged with criminal fraud and money-laundering offences arising out of their alleged actions in the management of the Guarantor on 7 December 2018. The criminal charges may materially and adversely affect the Group’s reputation, business, results of operations, financial condition and prospects.

On 5 June 2019, the Hellenic Capital Market Commission (“**HCMC**”) filed a criminal complaint against certain directors and executives relating to oversight of its Asian business, financial reporting and securities law violations, leading to fines assessed against certain Group companies, George Koutsolioutsos and Chiu Chuen Law.

Injunction from the Greek anti-money laundering authority

The Greek anti-money laundering authority (the “**Greek AML Authority**”) has issued two orders prohibiting the sale or disposal of the Guarantor’s real estate assets located in Agios Stefanos of Attica, Neo Psychiko, Koropi, Santorini and Glyfada (the “**AML Orders**”). The First Instance Judicial Council of Athens rejected the Guarantor’s appeals on 5 December 2018 against the AML Orders. The Guarantor shall take further legal action for the lifting of the AML Orders, following the filing of the Rehabilitation Agreement with the Greek Court.

Furthermore, the investigating Judge, Chairman of the 35th Investigating Department of the Athens Court of First Instance has issued two orders prohibiting the disposal of the aforementioned real estate assets (the “**Investigating Orders**”). The Guarantor has filed an appeal against the Investigating Orders, which will be examined by the competent Council of Judges of the Athens Court of First Instance.

It is possible that the Greek AML Authority or other government bodies, including those outside of Greece, will issue additional orders restricting the Guarantor's and/or other Group companies' ability to sell or dispose of its or their assets, or seizing such assets. The AML Orders and any additional anti-money laundering orders may restrict the Guarantor's and/or other Group companies' ability to (i) conduct its or their business; (ii) obtain interim bridge financing as the Guarantor or such other Group companies may not be in a position to offer security over the relevant assets; or (iii) give security which is proposed to be granted in connection with the Term Sheet as part of the Rehabilitation Plan. It is expected that such court orders may affect cash in the Group's accounts held in and outside Greece, putting increased pressure on the Group's liquidity position.

It is a condition to the effectiveness of the Restructuring Agreement that the AML Orders and the Investigating Orders be lifted prior to the Restructuring Effective Date and that no similar orders shall be granted or outstanding. To the extent that the Guarantor is unable to lift the AML Orders, they will not be able to consummate the Restructuring without obtaining a waiver of the condition.

The Group is at risk of actions relating to criminal procedures

As set out above, a preliminary report by Alvarez & Marsal regarding the financial statements of the Group's Asian subsidiaries showed that the assets and revenue of such subsidiaries had been significantly overstated in the relevant financial statements. In addition to the actions taken by the Greek AML Authority, it is possible that government bodies or other authorities in Asia or outside of Asia may take actions relating to criminal procedures against entities within the Group which may materially and adversely affect the Group's business, results of operations, financial condition and prospects.

The Restructuring Transaction may not be completed

The implementation of the Rehabilitation Plan and, consequently, the completion of the Restructuring Transaction are subject to uncertainties and risks. Governmental, judicial, regulatory and other authorities or parties may impose conditions or restrictions on the implementation of the Restructuring Transaction that may make the terms of the Restructuring less favourable to the Noteholders or more difficult or costly to implement. It cannot be assured that the Group will be permitted to implement the Restructuring Transaction without the imposition of such conditions or restrictions nor can it be assured that the Restructuring Transaction can be implemented in a timely fashion or at all.

The approval of the Rehabilitation Plan by the Greek Court may be significantly delayed

A hearing in respect of the Rehabilitation Plan will be set within approximately two months of the submission of the Rehabilitation Plan to the Greek Court. The Greek Court will issue its decision within approximately six to eight months from the date of that hearing. After a decision is issued by the Greek Court, there will be a 30-day period during which third parties may file submissions in respect of that decision. Following the filing date, the Guarantor will receive an automatic moratorium for a four-month period, which may be extended until a decision of the Greek Court in respect of the Rehabilitation Plan is issued. See the section entitled "*The Background* □ *Pre-Pack Rehabilitation Agreement under the Greek Bankruptcy Code*".

The Rehabilitation Plan may not be approved by the Greek Court

Even if the Ordinary Resolution is passed, the approval of the Rehabilitation Plan by the Greek Court is subject to a number of formalities and other requirements imposed by the applicable Greek legislation. If the Greek Court considers that one or more of such formalities and/or requirements are not met, it may not approve the Rehabilitation Plan.

The implementation of the Rehabilitation Plan and, consequently, the completion of the Restructuring Transaction are subject to definitive documentation being entered into by certain members of the Group and certain creditors of the Group in order to give effect to the terms of the Rehabilitation Plan. Such definitive documentation will only come into full force and effect upon the approval of the Rehabilitation Plan by the Greek Court. If the Greek Court does not approve the Rehabilitation Plan, it may not be possible to implement the Restructuring Transaction in a timely fashion or at all.

Regulatory decisions by the Hellenic Capital Markets Commission

The HCMC may issue a regulatory decision, imposing special terms and conditions for the protection of the

market, which may have an impact on the implementation of the Restructuring Transaction.

The Guarantor's shareholders' approval

The Rehabilitation Plan will be subject to the approval of the Guarantor's general meeting of shareholders (the "**General Meeting**"). In the event the Guarantor's shareholders participating in the General Meeting fail to provide their consent, the Greek Court may appoint an ad hoc proxy who will vote in the General Meeting in lieu of the non-consenting shareholders. Such appointment requires proof that the Guarantor's shareholders do not participate in the General Meeting and/or do not vote in favour of the Rehabilitation Plan in an abusive manner. If the Greek Court does not appoint such ad hoc proxy, it may not be possible for the Rehabilitation Plan to be approved in a timely fashion or at all.

The Rehabilitation Plan may not reach the requisite approval thresholds

On filing with the Greek Court, the Rehabilitation Plan needs to have been approved by 40 per cent. of the Guarantor's secured creditors by value, and 60 per cent. of the Guarantor's creditors by value. The Guarantor has no secured creditors and is confident that it can amass the support of the requisite number of its unsecured creditors for the purposes of the Rehabilitation Plan. However, if the requisite approval thresholds are not reached, the Rehabilitation Plan cannot be filed with the Greek Court. In such case, it may not be possible to implement the Restructuring Transaction in a timely fashion or at all.

If the Group is unable to implement the Restructuring Transaction, it may have to enter liquidation

As at the date of this Consent Solicitation, the Guarantor and the Issuer are in default of their debt obligations, including in relation to the Notes which became immediately due and payable, and the guarantee under the Notes provided by the Guarantor being called, on 1 November 2018. The Guarantor considers that, if it is unable to implement the Restructuring Transaction, it may have to take steps to commence insolvency proceedings that would most likely involve the appointment of a liquidator over the Guarantor in Greece and over the Issuer in Luxembourg, which would likely result in impaired recoveries for creditors (including the Noteholders) when compared to the projected recoveries under the proposed terms of the Restructuring Transaction and would delay the ability of the creditors (including the Noteholders) to realise such recoveries.

The final terms of the Restructuring Transaction may differ from the terms set out in the Term Sheet

Whilst, subject to the passing of the Ordinary Resolution, the terms of the Restructuring Transaction as set out in the Term Sheet will be approved by the Noteholders, the Guarantor may make changes to the terms of the Term Sheet and may negotiate the Key Documents with the Ad Hoc Group or other groups of Creditors as such, the final terms of the Restructuring Transaction may differ from the terms set out in the Key Documents and may be materially less favourable to the Noteholders. The Noteholders are expected to have the opportunity to review and approve the terms of the final Term Sheet and the Key Documents in the Second Consent Solicitation.

The Group's business plan is subject to turnaround and execution risk

The viability of the Rehabilitation Plan and the future business operations of the Group are dependent on the successful execution of the plan for the operational turnaround and restructuring of the Group's operations which has been developed by the Group's management. If the Group's management is unable to successfully execute the business plan, this will adversely affect the viability of the Rehabilitation Plan and may materially and adversely affect the Group's business, results of operations, financial condition and prospects, and may require the Guarantor to commence insolvency proceedings.

The Restructuring Agreement may be terminated by the Creditors

The Term Sheet provides that the Creditors may terminate the Restructuring Agreement (in each case, as defined in the Term Sheet) and withdraw their support for the Rehabilitation Plan if the Guarantor or any of its subsidiaries fail to comply with or breach any of the terms of the Restructuring Agreement. In the case of any withdrawal of support for the Rehabilitation Plan by the Creditors, it may not be possible to implement the Restructuring Transaction in a timely fashion or at all. If the Restructuring Agreement is terminated, the Group's Creditors may seek redress for damages sustained as a result of any breach, which may lead to increased deterioration of the Group's liquidity and reputation, and may materially and adversely affect the Group's

business, results of operations, financial condition and prospects.

The Guarantor and the Issuer are operating without a moratorium

The Guarantor has made two applications for the granting of interim provisional measures under Article 106a of the Greek Bankruptcy Code to the Athens Single Member Court of First Instance (the “**Court of First Instance**”). The Guarantor’s first application for the granting of provisional measures was made on 18 July 2018 and rejected on 22 October 2018 by the Court of First Instance. The Guarantor, together with its employees, has filed a second application for the granting of provisional measures on 14 November 2018, which was rejected in an interim hearing on 15 November 2018; the final hearing of the second application was cancelled. As a result of the foregoing, the Guarantor is currently operating without the benefit of a moratorium and is unprotected from claims from its creditors or litigation claims by third parties such as its shareholders. The Issuer is also operating without a moratorium and is unprotected from claims from its creditors.

Changes in management and board composition

On 13 December 2019, the HCMC made an application with the Greek Court for interim measures, namely to sanction the removal of George Koutsolioutsos and Periklis Dontas as non-executive directors of the board of the Guarantor. The Greek Court accepted the application on 16 December 2019. On 17 December 2019, Mr. Koutsolioutsos and Mr. Dontas voluntarily resigned from the board, and were replaced by the directors recommended by the HCMC, Mr. Dimitrios Valachis and Mr. George Ioannidis. Furthermore, following a petition by the Guarantor’s major shareholder, Dimitrios Koutsolioutsos, the Guarantor’s board (as obligated) included in the agenda of the Guarantor’s upcoming extra-ordinary general meeting on 20 February 2020, an item relating to the change of the composition of the Guarantor’s board of directors and, specifically, the removal of four current directors, namely Messrs. Avraam Gounaris, George Kyriakos, Nicolaos Canellopoulos and Konstantinos Kefalogiannis, and the election of two other executive directors in the Guarantor’s Board of Directors). In addition, on 5 February 2020, Mr. Nicolaos Canellopoulos resigned as a member of the board of the Guarantor; on 10 February 2020, Mr. Abraham C. Gounaris resigned as chairman of the board of the Guarantor and on 11 February 2020, Mr. George Kyriakos resigned as a member of the board of the Guarantor. While we believe that the current board of directors has both the vision and the capabilities to achieve operational turnaround following the Restructuring, further changes or interventions by the HCMC may adversely affect the Group’s governance and inhibit its operations in the future.

The Group is operating with limited liquidity

The Group is operating in a difficult environment with limited liquidity headroom, which has been put under pressure by increased working capital requirements for trade payments. Despite ongoing cash conservation measures undertaken by the Group, the Group’s limited short-term liquidity may run out if immediate funding cannot be secured. The Group may also need medium-term funding in order to fund its operations and the turnaround plan while the Greek Court is considering the Rehabilitation Plan. If such funding cannot be secured, this may require the Guarantor to commence insolvency proceedings prior to the filing or ratification of the Rehabilitation Plan by the Greek Court.

The Group’s key contracts may be terminated

The Group’s fashion and cosmetics business operating segments are dependent on contracts with key suppliers. The majority of the Group’s contracts with key suppliers relating to the Group’s fashion and cosmetics business have been terminated due to the adverse publicity that the Group has been presently facing

Bankruptcy and Judicial liquidation of the Issuer

The Issuer has failed to comply with certain regulatory and filing obligations according to laws of the Grand Duchy of Luxembourg, in particular the required filing of annual accounts for the financial period ended on 31 December 2018 and as a consequence may be subject to judicial liquidation. Any creditors of the Issuer may, at any time, file a bankruptcy application with the Luxembourg courts for the bankruptcy of the Issuer or any other Group company. The outcome and extent of any such applications and corresponding impact on the Group’s business, result of operations, financial condition and prospects is unpredictable at this stage and may render the implementation of the Restructuring Transaction impossible, which would likely result in impaired recoveries for creditors (including the Noteholders) when compared to the projected recoveries under the proposed terms of the Restructuring Transaction and would delay the ability of the creditors (including the Noteholders) to realise such

recoveries.

All Noteholders are bound by the Ordinary Resolution in respect of the Notes

If the Ordinary Resolution is passed and the Proposal is implemented, all Noteholders will be bound by the Proposal, including those Noteholders who voted against or abstained from voting on the Proposal.

Noteholders who are not able to hold new securities issued pursuant to the Restructuring will need to nominate a person within a holding period

Certain Noteholders may not be able to hold certain securities issued by the Group in accordance with the terms set out in the Term Sheet, as well as the final terms of the Restructuring Transaction, or nominate a person who is able to do so on their behalf. To address this, the Guarantor will provide for a holding period to ensure that any Noteholder unable to hold such securities has sufficient time to arrange for a nominee to hold the securities on their behalf.

Voting in respect of the Consent Solicitation

A Noteholder should either deliver, or procure delivery on its behalf, of a Blocking Certificate and a Proxy Form to the Tabulation and Information Agent on or prior to the Meeting in accordance with the terms of this Consent Solicitation Memorandum and not validly revoke its Proxy Form.

Noteholders who have not delivered or arranged for the delivery of a Blocking Certificate and a Proxy Form as provided above but who wish to attend and vote at the Meeting or otherwise give voting instructions may do so by appointing a proxy or otherwise in accordance with the voting procedures set out in the Notice and the Notes Terms.

Responsibility for complying with the procedures of the Consent Solicitation

Noteholders are responsible for complying with all of the procedures for voting. None of the Issuer, the Guarantor or the Tabulation and Information Agent assumes any responsibility for informing Noteholders of any defects, irregularities or delays with respect to the appointment of a proxy.

Blocking of Notes

When considering whether to request a Blocking Certificate from a bank, Noteholders should take into account that restrictions on the transfer of the Notes by Noteholders will apply from the time of the issuance of such Blocking Certificate.

Issuing the Blocking Certificate, the bank will confirm that the respective Notes are deposited in a securities account (*Effektenkonto*) with that bank and will remain so deposited with such bank until and including the date of the Meeting and that the bank has not issued any other such certificate with respect to such Notes. Accordingly, the Notes will be blocked from the date of the Blocking Certificate until and including the date of the Meeting.

Revocability of Proxies

Notwithstanding the right of Noteholders to revoke a proxy, such revocation will only be accepted if validly submitted at or prior to the Meeting, as the case may be. See "*The Consent Solicitation-Voting-Amendment and Revocation of Proxy Forms*".

Subsequent Offers

Whether or not the Proposal is implemented, the Issuer and/or the Guarantor may, at any time, make or procure the making of a new proposal to the Noteholders on such terms as they or it may determine. Any such new proposal may be materially less or more favourable to Noteholders.

Sanctions Restricted Persons

A Noteholder who is a Sanctions Restricted Person may not participate in the Consent Solicitation.

No assurance that the Ordinary Resolution will be implemented

There can be no assurance given by the Issuer or the Guarantor that the Ordinary Resolution will be passed or that the Proposal will be implemented. In particular, subject to applicable law and the Meetings Provisions, the Guarantor may extend, amend or terminate the Consent Solicitation at any time, as described in the section entitled “*The Consent Solicitation* □ *Extensions; Amendment; Termination*”.

Responsibility to consult advisers

Each Noteholder is solely responsible for making its own independent appraisal of all matters as such Noteholder deems appropriate (including those relating to the Consent Solicitation and the Ordinary Resolution) and each Noteholder must make its own decision whether to participate in the Consent Solicitation or otherwise participate at the Meeting.

Noteholders should consult their own tax, accounting, financial and legal advisers regarding the suitability to themselves of the tax or accounting consequences of participating in the Consent Solicitation and regarding the impact on them of the implementation of the Ordinary Resolution.

None of the Issuer, the Guarantor or the Tabulation and Information Agent or any director, officer, employee, agent or affiliate of any such person is acting for any Noteholder, or will be responsible to any Noteholder for providing any protections which would be afforded to its clients or for providing advice in relation to the Consent Solicitation or the Ordinary Resolution and, accordingly, none of the Issuer, the Guarantor or the Tabulation and Information Agent or any director, officer, employee, agent or affiliate of any such person, makes any recommendation as to whether or not or how Noteholders should participate in the Consent Solicitation or otherwise participate at the Meeting.

CERTAIN TAX CONSIDERATIONS

In view of the number of different jurisdictions whose tax laws may apply to Noteholders, this Consent Solicitation Memorandum does not discuss the tax consequences for Noteholders arising from this Consent Solicitation. Noteholders are urged to consult their own professional advisers regarding these possible tax consequences under the laws of the jurisdictions that apply to them. Noteholders are liable for their own taxes and shall have no recourse to the Issuer, the Guarantor or the Tabulation and Information Agent with respect to taxes arising in connection with the Consent Solicitation or actions relating thereto.

TABULATION AND INFORMATION AGENT

The Guarantor has retained Lucid Issuer Services Limited to serve as Tabulation and Information Agent with respect to the Consent Solicitation. Questions or requests for further information and assistance in connection with voting at the Meeting or the submission or delivery of Blocking Certificates and Proxy Forms may be directed to the Tabulation and Information Agent, Lucid Issuer Services Limited, at Tankerton Works, 12 Argyle Walk, London WC1H 8HA, United Kingdom or by telephone on +44 20 7704 0880 or by email to ff@lucid-is.com.

At any time, the Tabulation and Information Agent may trade Notes for its own account or for the accounts of customers and, accordingly, may have a long or short position in the Notes, provided that such trade and positions are allowed and in accordance with any applicable law.

The Tabulation and Information Agent and its affiliates may contact Noteholders regarding the Consent Solicitation and may request brokerage houses, custodians, nominees, fiduciaries and others to forward this Consent Solicitation Memorandum, the Notice and related materials to Beneficial Owners of the Notes.

None of the Tabulation and Information Agent or any of their respective directors, employees and affiliates assumes any responsibility for the accuracy or completeness of the information concerning the Consent Solicitation, the Ordinary Resolution, the Issuer, the Guarantor or the Notes in this Consent Solicitation Memorandum or any of the documents incorporated herein or for any failure by any of them to disclose events that may have occurred and may affect the significance or accuracy of such information and the terms of any amendment to the Consent Solicitation.

None of the Issuer, the Guarantor or the Tabulation and Information Agent or any director, officer, employee, agent or affiliate of any such persons is acting for any Noteholder, or will be responsible to any Noteholder for providing any protections which would be afforded to its clients or for providing advice in relation to the Consent Solicitation or the Ordinary Resolution and, accordingly, none of the Issuer, the Guarantor, the Tabulation and Information Agent or any director, officer, employee, agent or affiliate of any such persons, makes any recommendation as to whether or not or how Noteholders should participate in the Consent Solicitation or otherwise participate at the Meeting (other than based on a proxy of Noteholder or as Holders' Representative (as defined in the Notes Terms)), and neither the Tabulation and Information Agent nor any of its directors, officers, employees, agents or affiliates makes any representation whatsoever regarding the Consent Solicitation.

DOCUMENTS INCORPORATED BY REFERENCE

This Consent Solicitation Memorandum contains important information which Noteholders should read carefully before making any decisions with respect to giving proxies, voting or otherwise participating in the Consent Solicitation.

A copy of the Term Sheet is attached hereto as Annex B and shall form part of this Consent Solicitation Memorandum. As at the date of this Consent Solicitation Memorandum, the terms of the Term Sheet remain subject to further tax and legal analysis and negotiations between the Group and certain creditors of the Group. The Guarantor and the Issuer expect that the terms of the Term Sheet will be finalised no later than 10:00 a.m. (Zurich time) on 27 February 2020 or, in the case of an adjourned Meeting, the deadline stipulated in any notice convening such adjourned Meeting. Instructions stipulated in any notice convening such adjourned Meeting (the “**Documents Update Deadline**”), provided that no material changes shall be made to the terms set out in the Term Sheet attached hereto prior to the Documents Update Deadline. The Term Sheet, and any amendments and modifications thereto, will be published in an announcement released by the Guarantor through the Athens Stock Exchange (ATHEX) and on the Group’s website which is publicly available at <http://www.ffgroup.com/investors/documentation/ir-releases/all/>. Any such amendments and/or modifications to the Term Sheet notified to the Noteholders at or prior to the Documents Update Deadline shall be incorporated in, and form part of, this Consent Solicitation Memorandum, and shall be deemed to supersede the terms set out in the Term Sheet to the extent that such terms are so amended and/or modified.

The Tabulation and Information Agent will provide to each Noteholder upon written or oral request (free of charge) a copy of any of the documents referred to above that are incorporated herein by reference. To request any such information, Noteholders should contact the Tabulation and Information Agent at the telephone number or email address set out in the section entitled “*Tabulation and Information Agent*” of this Consent Solicitation Memorandum. In addition, copies of the following documents are available from the date of this Consent Solicitation Memorandum to the time at which the Meeting is concluded (i) on request from the Tabulation and Information Agent and (ii) for collection or inspection during normal business hours at the office of the Tabulation and Information Agent and the head office of the Guarantor:

- this Consent Solicitation Memorandum;
- the Notice;
- the Term Sheet (as may be amended and/or modified at or prior to the Documents Update Deadline); and
- the Notes Terms.

All such documents will be available for inspection by Noteholders on and from the date of this Consent Solicitation Memorandum up to and including the date of the Meeting, (i) at the specified address of the Tabulation and Information Agent, and at the head office of the Guarantor.

The Notice will also be available for inspection at the office of UBS AG at Bahnhofstrasse 45, CH-8001 Zurich, Switzerland, during normal business hours.

MISCELLANEOUS

Each of the Issuer and the Guarantor may make additional solicitations by facsimile, by telephone or in person by its officers and regular employees and its affiliates. Noteholders who receive such solicitations will not be offered or receive terms different to those outlined in this Consent Solicitation Memorandum. The Issuer or the Guarantor will not make any payment to broker-dealers or others for soliciting votes.

ANNEX A – FORM OF NOTICE OF NOTEHOLDER MEETING

Official Notice

Nr: XXXXXX
Title: FF Group Finance Luxembourg II S.A. CHF 150 million 3.25% Notes 2017 - 2021
ISIN: CH0385518052
Valor No.: 38.551.805
ISIN: CH0385518052

Notice to the holders of Notes (the "Noteholders") of

FF Group Finance Luxembourg II S.A., société anonyme, with registered office at 54-56 boulevard Napoléon, L-2210 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg trade and companies register under number B211122 (the "Issuer")

regarding

CHF 150,000,000 3.25% Notes 2017 – 2021 due 2 November 2021 guaranteed by Folli-Follie Commercial Manufacturing and Technical Société Anonyme (the "Guarantor"), Valor symbol: FFG17, ISIN CH0385518052 (the "Notes")

In the name of the Issuer and in accordance with Section 15 of the terms of the Notes (the "Terms"), notice is hereby given to the Noteholders of a meeting of the Noteholders (the "Noteholder Meeting") to be held on:

6 March 2020 on 11:00 am Zurich time, at Park Hyatt Zurich, Beethovenstrasse 21, 8002 Zürich, Meeting rooms Shanghai and Chicago,

with the following

AGENDA

1. Constitution of the Noteholder Meeting
2. Update on the proposed restructuring of the Folli Follie Group

3. Approval of the Term Sheet
4. Approval of the finalization of the Key Documents by the Guarantor

PARTICIPATION AT THE NOTEHOLDER MEETING

Each person who produces a certificate by a bank in respect of its holding of Notes as further specified below is entitled to attend and to vote on the resolutions proposed at the Noteholder Meeting. Bank certificates must be dated at the latest by 4 March 2020 and confirm that the respective Notes are deposited in a securities account (Effektenkonto) with that bank and will remain so deposited with such bank until and including the date of the Noteholder Meeting and that the bank has not issued any other such certificate with respect to such Notes (the "Blocking Certificate"). Trading in the Notes might be suspended by SIX Swiss Exchange in connection with the Noteholder Meeting. Whether or not trading will be suspended is in the entire discretion of SIX Swiss Exchange.

Blocking Certificates or Proxy Forms shall either be delivered to Lucid Issuer Services Limited, Tankerton Works, 12 Argyle Walk, London WC1H 8HA, United Kingdom or by email to ff@lucid-is.com no later than by 4 March 2020 or presented at the Noteholder Meeting. Each participating Noteholder or its representative must show a valid legal identification document (passport or identification card) for identification purposes. Voting materials will be distributed at the Noteholder Meeting upon proper identification.

Noteholders who are not willing or able to participate at the Noteholder Meeting can be represented by a duly authorized third person evidenced by a written proxy or by using the Proxy Form (as attached to the Consent Solicitation Memorandum).

VOTING RIGHTS

The voting rights of the Holders shall be determined according to the principal amount of the outstanding Notes held. Each Note in denomination of CHF 5,000 shall be entitled to one (1) vote.

BACKGROUND

The Guarantor and its subsidiaries (including the Issuer) are envisaging a restructuring and seek consent from the Noteholders on the term sheet regarding the restructuring. This term sheet, as well as the consent solicitation memorandum in relation to the restructuring (the "Consent Solicitation Memorandum"), have been made available in electronic form only and can be accessed on <http://www.ffgroup.com/investors/documentation/ir-releases/various-announcements>.

Provided that the proposed resolutions are approved by the Noteholder Meeting and the terms of the Key Documents (as defined in the Consent Solicitation Memorandum) are finalized, the Guarantor and the

Issuer expect to solicit the consent of the Noteholders to (i) the terms of the Key Documents and (ii) the implementation of the Rehabilitation Plan (as defined in the Consent Solicitation Memorandum).

Requests for information in relation to the Consent Solicitation Memorandum should be directed to:

Lucid Issuer Services Limited, Tankerton Works, 12 Argyle Walk, London WC1H 8HA, United Kingdom or by telephone on +44 20 7704 0880 or by email to ff@lucid-is.com.

UBS in its capacity as former bondholders' representative of the Notes has not been involved in the proposed restructuring and is not in a position to advise on the merits of the proposed restructuring.

Date: 14 February 2020

Bank: UBS AG

Person: Patrick Schütz

Phone: +41 44 239 46 93

ANNEX B – TERM SHEET

FOLLI FOLLIE
RESTRUCTURING TERM SHEET

This restructuring term sheet (the “**Restructuring Term Sheet**”) outlines a proposal for the key commercial terms to be incorporated into the rehabilitation plan (the “**Rehabilitation Plan**”) of Folli Follie Commercial Manufacturing and Technical S.A. (the “**Company**” and, together with its subsidiaries, the “**Existing Group**”) and the legally binding restructuring agreement (the “**Restructuring Agreement**”) which shall be submitted to the Athens Multi-Member Court of First Instance (the “**Greek Court**”) pursuant to Article 106b and/or d of Greek law 3588/2007 (“**Art 106**”), as currently in force (the “**Greek Bankruptcy Code**”).

This Restructuring Term Sheet has been circulated to:

- (a) the holders of the €249,500,000 1.75 per cent. Guaranteed Exchangeable Notes due 2019 issued by FF Group Finance Luxembourg SA (“**LuxCo I**”) and guaranteed by the Company (the “**Eurobonds**”);
- (b) the holders of the CHF 150,000,000 3.25 per cent. Notes due 2021 issued by FF Group Finance Luxembourg II SA (“**LuxCo II**” and together with LuxCo I, the “**LuxCos**”) and guaranteed by the Company (the “**Swissbonds**”);
- (c) the lender of 100% of the €20,000,000 Schuldschein loan due 2021 issued by LuxCo II and guaranteed by the Company (the “**20m Schuldschein**”); and
- (d) the lender of 100% of the €31,000,000 Schuldschein loan due 2021 issued by LuxCo II and guaranteed by the Company (the “**31m Schuldschein**” and together with the 20m Schuldschein, the “**Schuldschein**”),

the Eurobonds, Swissbonds and Schuldschein shall together be referred to as the “**Debt**” and the holders of the Debt shall be referred to as the “**Holders**”. The Holders together with the other creditors listed in Schedule 1 (*Existing Liabilities*) shall be referred to herein as the “**Creditors**”.

This Restructuring Term Sheet was negotiated between the Company, the LuxCos and a group of key financial creditors comprised of (a) the lender of the 20m Schuldschein; (b) the lender of the 31m Schuldschein and (c) an ad hoc committee of holders of the Eurobonds, holding in aggregate approx. 26.4% of the principal amount of the Eurobonds outstanding on the Launch Date (defined below) (the “**Ad Hoc Committee**”). The creditors described at (a), (b) and (c) are, together, referred to herein as the “**Unsecured Creditors’ Committee**”.

The Company also consulted throughout the negotiation of this Restructuring Term Sheet with an informal group of creditors, holding in aggregate approx. 34.2% of the principal amount of the Swissbonds and approx. 6.7% of the Eurobonds outstanding on the Launch Date (defined below).

The date on which this Restructuring Term Sheet is made publicly available to the holders of the Eurobonds and Swissbonds for the purpose of seeking their support for the Rehabilitation Plan shall be the “**Launch Date**”.

The date on which the Restructuring Agreement is filed at the Greek Court shall be the “**Filing Date**”, the date on which the Greek Court is convened to hear the Company’s submissions on the Restructuring Agreement shall be the “**Hearing Date**” and the date on which the Greek Court delivers its decision with respect to the Restructuring Agreement shall be the “**Decision Date**”.

In addition, definitive documentation to give effect to the terms of the Restructuring Agreement and the Rehabilitation Plan will have to be prepared in due course. Such definitive documents shall come into full force and effect in accordance with the relevant provisions of the Restructuring Agreement, provided the Greek Court has ratified the Restructuring Agreement on the Decision Date (the “**Restructuring Effective Date**”).

PART 1: OPSCO

1. **Jurisdiction of Incorporation** The parties shall agree the jurisdiction of incorporation of OpsCo prior to the Filing Date.
2. **Shares** OpsCo shall issue ordinary shares (the “**OpsCo Shares**”) in the following portions:
 - (a) 49% of the issued share capital shall be issued to AssetsCo or a wholly owned subsidiary of AssetsCo; and
 - (b) 51% of the issues share capital shall be issued to the Company or a subsidiary of the Company.
3. **Business** The distribution contracts relating to the jewellery, fashion, cosmetics and factory outlet and department stores businesses of the Existing Group shall be transferred, novated or assigned, as appropriate, to OpsCo (or a subsidiary of OpsCo), by the Existing Group and the relevant consents shall be procured by the Company (at its cost and expense) from the relevant contract counter-parties.
4. **Dufry** The proceeds following the outcome of the arbitration relating to the Company’s 804,726 shares in Dufry AG (settlement and/or sale) shall be transferred to OpsCo (or a subsidiary of OpsCo) and applied by OpsCo as follows:
 - (a) *first*, an amount of EUR 35,000,000 shall be applied towards the general working capital requirements of OpsCo and its subsidiaries; and
 - (b) *second*, the balance shall be applied as follows:
 - i. 50% shall be distributed to Creditors as a special distribution; and
 - ii. 50% shall either be applied towards OpsCo’s and its subsidiaries general working capital requirements or be used to buy-back New Notes, whether on the open market or as part of a private market transaction, at such price as may be agreed.
5. **Listing** None
6. **Dividends and Distributions** Subject to approval by a 75% Supermajority (as defined below).
7. **Voting Rights** Each OpsCo Share will have one vote.

Subject to any other majority required by law, resolutions will be passed by the affirmative vote of holders of a simple majority of the votes cast at a shareholders’ meeting where more than 50% of the OpsCo Shares entitled to vote thereon are present (in person or by proxy) (an “**OpsCo Shareholder Simple Majority**”), except for:

 - (i) certain reserved matters as set out in Schedule 4 (*Shareholder Reserved Matters*) of this Restructuring Term Sheet that shall require approval by affirmative vote of holders of a supermajority of at least 75% of the OpsCo Shares entitled to vote thereon present and voting at the relevant meeting (the “**75% Supermajority**”); and
 - (ii) any other matters that may require a greater majority than the OpsCo Shareholder Simple Majority in accordance with applicable law.

Resolutions may also be passed by written resolutions of the OpsCo Shareholders circulated in accordance with applicable law.
8. **Board Composition** The “**OpsCo Board of Directors**” shall be initially agreed as part of the Restructuring, thereafter, the composition shall be agreed by an OpsCo Shareholder Simple Majority, subject to there being a board seat reserved for a director appointed by the Creditors on and from the Restructuring Effective Date (the “**B Director**”). Certain decisions of the

OpsCo Board of Directors shall require the approval of the B Director (the “**B Director Reserved Matters**”). The B Director Reserved Matters are set out in Schedule 3 (*B Director Reserved Matters*) of this Restructuring Term Sheet.

9. **Shareholder Reserved Matters** The matters set out in Schedule 4 (*Shareholder Reserved Matters*) shall require the approval of a 75% Supermajority.

PART 2: ASSETSCO

10. **Jurisdiction of Incorporation** AssetsCo shall be a private limited liability company (*société à responsabilité limitée*), incorporated in the Grand Duchy of Luxembourg.
11. **Shares** AssetsCo shall issue ordinary shares (the “**AssetsCo Shares**”) representing 100% of the issued share capital in AssetsCo to the Creditors (either directly or through a corporate vehicle and including any other arrangement agreed between the Company and the Creditors grating to all or part of the Creditors the same economic rights that they would have been entitled to via holding of ordinary shares in AssetsCo, including the issuance of warrants).
12. **Business** The assets listed at Schedule 2 (*Transferring Assets*) shall be transferred to AssetsCo or a subsidiary of AssetsCo, subject to certain leaseback arrangements with OpsCo to be agreed as part of the Rehabilitation Plan.
13. **Listing** None
14. **Voting Rights** Each AssetsCo Share will have one vote.
- Subject to any other majority required by law, resolutions will be passed by the affirmative vote of holders of a simple majority of the votes cast at a shareholders’ meeting where more than 50% of the AssetsCo Shares entitled to vote thereon are present (in person or by proxy) (an “**AssetsCo Shareholder Simple Majority**”).
15. **Board Composition** The “**AssetsCo Board of Directors**” shall be composed as follows:
- CEO, appointed by an AssetsCo Shareholder Simple Majority vote;
 - Non-Executive Chairman, appointed by an AssetsCo Shareholder Simple Majority vote; and
 - 3 Independent Non-Executive Directors, appointed on nomination to the general meeting of shareholders of AssetsCo and appointed by AssetsCo Shareholder Simple Majority vote.
16. **Shareholder Matters** Exit Events, Drag-Along Rights, Tag-Along Rights, subject to agreement.

PART 3: NEW NOTES

17. **Issuer** OpsCo (or a subsidiary of OpsCo)
18. **Lenders** Creditors
19. **Facility** Structured as a high yield note or term loan at the option of the Creditors.
20. **Amount** EUR 60,000,000
21. **Interest** Interest to be paid / accrued on a “pay as you can” basis as follows:
- (c) 3% cash interest; and
 - (d) 4% PIK interest, rising by an additional 1% for each year the maturity of the New Note is extended in accordance with Clause 23 (*Term*) below.
22. **Guarantees and** Corporate guarantee provided by the Company

Security

23. **Term** 5 years from the Restructuring Effective Date. To the extent that at maturity the outstanding principal and interest is not capable of being repaid, OpsCo shall use best efforts to refinance the New Note on Market Terms (as defined below). If the New Note is not capable of being re-financed on Market Terms, the term of the New Note shall be extended by 1 year.
- If following the additional 1 year, the outstanding principal and interest is not capable of being repaid, the Company shall use best efforts to refinance the New Note on Market Terms (as defined below). If the New Note is not capable of being re-financed on Market Terms, the term of the New Note shall be extended by a further 1 year.
- “**Market Terms**” shall mean refinancing terms within 200bp of reasonable market terms as determined by an independent financing adviser appointed by OpsCo.
24. **Repayment** Balloon, principal and outstanding interest
25. **Prepayment** At any time 2 years after the Restructuring Effective Date, without penalty
26. **Cash Sweep** 2 years from the Restructuring Effective Date, Excess Cash Flow (as defined below) shall be applied as follows:
- (a) In the period starting 2 years after the Restructuring Effective Date and ending 3 years after the Restructuring Effective Date, on a 6 monthly basis, 75% of any Excess Cash Flow shall be deposited into a retention account and applied in repayment of principal outstanding at par and 25% of any Excess Cash Flow shall be retained by OpsCo and applied towards its general working capital requirements; and
- (b) In the period starting 3 years after the Restructuring Effective Date and ending at maturity of the New Note, on a 6 monthly basis, 50% of any Excess Cash Flow shall be deposited into a retention account and applied in repayment of principal outstanding at par and 50% of any Excess Cash Flow shall be retained by OpsCo and either applied towards its general working capital requirements or used to buy-back New Notes, whether on the open market or as part of a private market transaction, at such price as may be agreed.
- “**Excess Cash Flow**” shall mean any amount of cash held by OpsCo over an amount of EUR 10,000,000.
27. **Covenants** Market standard covenants to be included
28. **Governing Law and Jurisdiction** English law, courts of England and Wales

PART 4: OTHER MATTERS

29. **Compromise** The OpsCo Shares, AssetsCo Shares and New Note shall be issued in full and final settlement of all liabilities arising under and in connection with the Debt.
30. **Allocations** Definitive documentation will include a process to resolve any material intercreditor disputes regarding the allocation of post restructuring securities.
31. **Treatment of Creditors** The Creditors, including the Holders, will be entitled to receive in full and final settlement of the Debt:
- (a) AssetsCo Shares;
- (b) OpsCo Shares (held indirectly through their AssetsCo Shares);
- (c) New Notes to be issued by OpsCo; and
- (d) the benefit of the Corporate Guarantee,
- together, the “**Restructuring Consideration**”.

32. **Asia Business** The Company covenants that between the Launch Date and the date falling 6 months from the Launch Date, Funding (as defined below) to the Asia Business (as defined below) shall not exceed EUR 2,000,000.
- Following the Launch Date, the Company shall appoint the Independent Financial Adviser (as defined below) to review the Asia Business Plan (as defined below) and in the period between the Launch Date and the date falling 6 months after the Launch Date, the Company, the financial advisers to the Ad Hoc Committee and the Independent Financial Adviser shall consult in good faith to agree the Asia Business Plan. Any increase to the Funding shall be conditional on the Asia Business Plan being agreed between the Company and Unsecured Creditors' Committee.
- “**Asia Business**” shall mean Folli Follie Group Sourcing Limited and its subsidiaries.
- “**Asia Business Plan**” shall mean the business plan applicable to the Asia Business.
- “**Funding**” shall mean the money paid by the Company and/or its subsidiaries (excluding the Asia Business) to the Asia Business.
- “**Independent Financial Adviser**” shall mean a financial adviser appointed by the Company from a shortlist of 3 financial advisers approved by the financial advisers to the Ad Hoc Committee.
33. **Asia Tax** The Company and OpsCo shall use reasonable endeavours to secure tax returns relating to over-paid taxes of the Asia Business and the assignment to such tax returns to OpsCo.
34. **Ring-fencing** The parties agree that it shall be a fundamental term of the Rehabilitation Plan that AssetsCo and OpsCo are ring-fenced from the liabilities of the Existing Group and that such terms shall be incorporated into the Restructuring Agreement as necessary to ring-fence AssetsCo and OpsCo from such liabilities.
35. **Court Orders by the Anti-Money Laundering Authority** It shall be a condition of the Restructuring Agreement that the ruling by the Judicial Council (following successful applications by the Company) by virtue of which two orders (no.133/2018 and no. 136/2018) of the President of the Anti-Money Laundering Authority and the investigating Judge of Athens forbidding any disposal of, among others, real estate property of the Company is lifted prior to the Restructuring Effective Date and that no other similar orders shall be granted or outstanding. Any such order lifting the rulings by the Judicial Council shall, to the extent possible as a matter of Greek law, further provide that the assets transferred to AssetsCo under the Restructuring Agreement will not be subject to any similar orders now or in the future.
36. **Director Liabilities** The Rehabilitation Plan shall provide for market standard releases of current directors and advisers of the Company and other related parties, subject to agreed exceptions, including parties currently subject to investigation/sanction by a relevant regulatory authority, providing that such investigation/sanction is determined in the negative against such party.
37. **Holding Period Trust** The Restructuring Consideration of Creditors who fail to participate in the Restructuring, or who are otherwise unable to receive their allocation of the Restructuring Consideration (“**Compromised Creditor Beneficiaries**”), will have their allocation of the Restructuring Consideration held on trust for them for a period of 2 years (the “**Holding Period**”). During the Holding Period, Compromised Creditor Beneficiaries will be entitled to come forward and claim their allocation of the Restructuring Consideration.
38. **Existing LuxCos** The LuxCos will be funded by the Company and solvently liquidated post Restructuring Effective Date.
39. **Legal Matters** The terms of, and the existence of, this term sheet is strictly confidential and shall not be disclosed to any person, other than to any of the parties' professional advisers acting in connection with the transactions contemplated hereby, without the consent of the other parties. This term sheet records the intentions of the parties. It is not intended to, nor is it to be construed as, giving rise to any legally binding obligations on any party.

This term sheet and all matters (including, without limitation, any contractual or non-

contractual matters) arising from, or connected with, it are governed by, and will be construed in accordance with English law and the parties irrevocably submit to the exclusive jurisdiction of the English courts.

SCHEDULE 1

EXISTING LIABILITIES

Principal Debtor	Creditor	Description	Outstanding Amount (€)
FF Group Finance Luxembourg SA	US Bank Trustees Limited, on behalf of the Eurobond holders	Eurobonds	250,997,000
FF Group Finance Luxembourg II SA	UBS AG, on behalf of the holders of the Swiss franc bonds	Swiss franc bonds	134,854,808
FF Group Finance Luxembourg II SA	<i>[intentionally left blank]</i>	Schuldschein	31,485,760
FF Group Finance Luxembourg II SA	<i>[intentionally left blank]</i>	Schuldschein	20,323,840
Folli Follie SA	Employees	Entitlements	nil
Total Unsecured Liabilities			437,661,408

The Eurobonds, Swiss franc bonds and Schuldschein are guaranteed by the Company. Each of these has been accelerated and the guarantees provided by the Company in respect of them have been called.

SCHEDULE 2

TRANSFERRING ASSETS

Part A1: Real Estate Assets held by the Company

Property	Address	Jurisdiction	Transferor
K1 Office Building in Agios Stefanos, Attica	23rd km., Athens-Lamia Highway, Agios Stefanos, Municipality of Dionysos, Regional Unit of East Attica, Region of Attica	Greece	Folli Follie Commercial Manufacturing and Technical S.A.
K2 Office Building in Agios Stefanos, Attica		Greece	Folli Follie Commercial Manufacturing and Technical S.A.
Office Floor on Vouliagmenis Av., Athens	96 Vouliagmenis Avenue, Glyfada	Greece	Folli Follie Commercial Manufacturing and Technical S.A.
Office Floor in Thessaloniki	43, 26th Oktovriou Str. and Kefalinias Str, Thessaloniki, Regional Unit of Central Thessaloniki, Region of Central Macedonia	Greece	Folli Follie Commercial Manufacturing and Technical S.A.
Retail Store in Fira, Santorini	Spirou Marinatou, Fira, Santorini	Greece	Folli Follie Commercial Manufacturing and Technical S.A.
Retail Store in Maroussi, Athens	Andrea Papandreou 29, Agios Thomas - Marousi, Attica	Greece	Folli Follie Commercial Manufacturing and Technical S.A.
Retail Store on Acharnon Str, Athens	421 Acharnon and Kourtidou str, Agios Eleutherios, Athens	Greece	Folli Follie Commercial Manufacturing and Technical S.A.
Two Retail Units in Kolonaki, Athens	6 Tsakalof str., Kolonaki, Athens	Greece	Folli Follie Commercial Manufacturing and Technical S.A.
Logistics Property in Agios Stefanos, Attica	22nd km, Athens-Lamia Highway, Agios Stefanos, Athens	Greece	Folli Follie Commercial Manufacturing and Technical S.A.

Property	Address	Jurisdiction	Transferor
Logistics Property in Koropi, Attica	49, Ifestou str., Koropi, Municipality of Koropi, Regional Unit of East Attica Region of Attica	Greece	Folli Follie Commercial Manufacturing and Technical S.A.
Land Plot in Koropi, Attica	Vari – Koropi Ave., “Skala” location, municipality of Kropia, Regional Unit of East Attica, Region of Attica	Greece	Folli Follie Commercial Manufacturing and Technical S.A.
	2 Nirvana str. Psychiko-Filothei, Attica	Greece	Folli Follie Commercial Manufacturing and Technical S.A.
Minion A	Dorou & Satomvriandou, Athens,	Greece	Folli Follie Holdings S.A.
Minion B, C, D, E	28th Octovriou & Satovriandou, Athens	Greece	Folli Follie Holdings S.A.
Aegina Shipyard	Kavouropetra, Aegina	Greece	Planaco

Part A2: Real Estate Assets held outside the Company

Property	Address	Jurisdiction	Transferor
Mixed Use Commercial Building	Str.Ion Campineanu, Nr.2, sector 1, Bucharest	Romania	FF Group SRL
Land Plot with Derelict Building	Str.Ion Campineanu, Nr.4, sector 1, Bucharest	Romania	FF Group SRL
Retail Store in Magheru	Str,Tache Ionescu, Nr.8, Sector 1, Bucharest	Romania	FF Group SRL
Retail Building in Timisoara	Bulevardul Corneliu Coposu, Nr.14, Timisoara, Jud.Timis	Romania	FF Group SRL
Retail Store in Mosilor	Calea Mosilor, Nr.284, Bl.22A, Parter, Sector 2, Bucharest	Romania	FF Group SRL
Land Plot	Otopeni, Calea Bucuresti 247, Ilfov County	Romania	FF Group SRL
Land Plot	Comuna Giroc, Judetul Timisoara	Romania	FF Group SRL
Land Plot	Comuna Gruiu, Judetul Ilfov	Romania	FF Group SRL
Land Plot	Margelelor Street, Bucharest	Romania	FF Group SRL
Apartment in Bucharest	59 Popa Tatu Str,ET.3, Ap.8, Sector 1, Bucharest	Romania	FF Group SRL
Apartment, Bulgaria	3 rd floor apartment, Sofia, Bulgaria	Bulgaria	FF Group Bulgaria EOOD

Part A3: Other Assets

- The Company's 48.99% holding in the share capital of Sales Manager Ltd
- The Company's 50.00% holding in the share capital of Marina Mytilinis

SCHEDULE 3

B DIRECTOR RESERVED MATTERS

1. Whether by a single transaction or by a series of transactions:
 - a. acquiring an interest (whether on its own behalf or as a nominee) in the share, loan capital or instruments convertible into the share capital of, or the business or substantially all of the assets of, any company or other legal entity;
 - b. selling or otherwise disposing of an interest in a subsidiary or a substantial part of a subsidiary's assets and/or business; or
 - c. acquiring, selling, transferring or entering into an agreement for the acquisition, sale, transfer, surrender or other disposition of any assets of a subsidiary having a book or market value in excess of EUR 1,000,000.
2. Adopting any new accounting policy or practice or making any material changes to the OpsCo's accounting policies and practices or its accounting reference date, except as required by law or to comply with a new accounting standard.
3. Making any material variation to, or waiving a condition of, any of the OpsCo's facility agreements, voluntarily pre-paying any sums lent under the OpsCo's facility agreements or refinancing any such indebtedness, including the New Notes.
4. Except pursuant to the New Notes:
 - a. borrowing any money or obtaining any credit (other than trade credit);
 - b. creating or issuing or allow to come into being any encumbrances (other than arising by operation of law) over any part of the Company's property or assets or uncalled capital or creating or issuing any debenture or debenture stock;
 - c. making any other arrangement having a similar effect (including, without limitation, debt factoring, invoice discounting, hire purchase, equipment leasing, conditional or credit sales, or any off balance sheet borrowings); or
 - d. materially varying the terms of any credit arrangement, including the New Notes,in each case if the aggregate amount outstanding from time to time exceeds EUR 1,000,000.
5. Adopting an annual business plan, or varying a business plan, or exceeding the capital expenditure provided for in any business plan by more than 10 *per cent*.
6. Except pursuant to an agreed business plan then current:
 - a. carrying on a new business or making any material change to the nature, scope or geographical area of the OpsCo's business;
 - b. entering into a contract or transaction or making a payment or incurring a commitment in excess of EUR 100,000; or
 - c. in any other way do anything which is materially inconsistent with a relevant business plan.
7. The giving of consent to certain permitted transfers.

SCHEDULE 4

SHAREHOLDER RESERVED MATTERS

1. Alteration of the articles of association or equivalent constitutional documents of the OpsCo.
2. Reducing the amount of the OpsCo's issued share capital, granting any option or other interest (in the form of convertible securities or in any other form) over or in the share capital of the OpsCo, redeeming or purchasing any of the OpsCo's own shares (except on a *pro rata* basis) or effecting any other reorganisation of the OpsCo's share capital.
3. Applying for the listing or trading of any shares or debt securities on any stock exchange or market.
4. Making any changes to board size or composition of OpsCo.
5. The appointment or removal of the OpsCo's auditors.
6. Passing any resolution for the OpsCo's winding up or presenting any petition for its administration (unless it has become insolvent), or any analogous process.
7. Altering the name or registered office of the OpsCo.
8. The formation of any subsidiary or the acquisition of shares in any other company or the participation in any joint venture or partnership.
9. Amalgamating or merging with any other company or business undertaking.
10. Creating or granting any encumbrance over any shares in the OpsCo or agreeing to do so.
11. The entry into any arrangement, contract or transaction outside the normal course of the OpsCo's business or otherwise than on arm's length terms.
12. Declaring or paying any dividend, subject to certain limited exceptions.
13. Establishing or amending any profit-sharing, share option, bonus or other incentive scheme of any nature for directors or employees.
14. Establishing or amending any pension scheme or granting any pension rights to any director, officer, employee, former director, officer or employee, or any member of any such person's family.
15. Dismissing any director, officer or employee in circumstances in which the OpsCo incurs or agrees to bear redundancy or other costs in excess of EUR 100,000 in total.
16. Agreeing to remunerate (by payment of fees, the provision of benefits-in-kind or otherwise) any officer of, or consultant to, the OpsCo at a rate in excess of EUR 100,000 *per annum* or increasing the remuneration of any such person to a rate in excess of EUR 100,000 *per annum*.
17. Entering into or varying any contract of employment providing for the payment of remuneration (including pension and other benefits) in excess of a rate of EUR 100,000 *per annum* or increasing the remuneration of any staff (including pension and other benefits) to a rate in excess of EUR 100,000 *per annum*.
18. Instituting any material legal proceedings, or settling or compromising any material legal proceedings (other than debt recovery proceedings in the ordinary course of business) instituted or threatened against the OpsCo, or submitting to arbitration or alternative dispute resolution any dispute involving the OpsCo.
19. Making any agreement with any revenue or tax authorities or making any claim, disclaimer, election or consent exceeding EUR 100,000 for tax purposes in relation to the OpsCo or its business.
20. For so long as the Holders, whether directly or indirectly via their holding of AssetsCo shares, hold in aggregate not less than 25 per cent. of the shares:
 - a. the issue of any Shares or other classes of share in the OpsCo's share capital from time; and

- b. any transfer of Securities, save for certain limited exceptions.
21. The entry into any arrangement, contract or transaction outside the normal course of OpsCo's business or otherwise than on arm's length terms, which shall be deemed to include any such arrangement, contract or transaction with:
- a. Folli Follie or any of its subsidiaries (other than a member of the Group);
 - b. the directors of Folli Follie or any of its subsidiaries;
 - c. the direct and indirect shareholders of Folli Follie; and
 - d. the members of the Koutsolioutsos family subject to investigation/sanction by a relevant regulatory or judicial authority.

ANNEX C – PROXY FORM

Proxy Form regarding the meeting of the holders of the

CHF 150,000,000 3.25 per cent. Notes due 2021 (ISIN: CH0385518052) (the “Notes”)

issued by

FF Group Finance Luxembourg II SA, a public limited liability company (*société anonyme*) incorporated and registered in Grand Duchy of Luxembourg with registered number B 211 122, (the “Issuer”)

guaranteed by

Folli Follie Commercial Manufacturing and Technical SA, a company incorporated with limited liability in the Hellenic Republic, (the “Guarantor”)

convened for

6 March 2020, 11:00 am (Zurich time)

at

Park Hyatt Zurich, Beethovenstrasse 21, 8002 Zurich, Switzerland, meeting rooms Shanghai and Chicago
and any adjournment of such Meeting.

This Proxy Form should be read in conjunction with the consent solicitation memorandum of the Issuer and the Guarantor dated 14 February 2020 regarding the Notes (the “Consent Solicitation Memorandum”). All capitalized terms not otherwise defined herein have the meaning ascribed to them in the Consent Solicitation Memorandum.

_____ (the “Noteholder”) hereby appoints
(insert name of Noteholder)

[Lucid Issuer Services Limited, Tankerton Works, 12 Argyle Walk London, WC1H 8HA United Kingdom]
(insert name of proxy) of (insert address of proxy)

as its proxy, with the right of substitution, to attend on behalf of and act for the Noteholder at the Meeting, and to vote on behalf of the Noteholder to:

- VOTE FOR the terms of the Term Sheet; or
 - VOTE AGAINST the terms of the Term Sheet;
- (choose one option)

and to

- VOTE FOR the appointment of the Guarantor to finalize the Key Documents; or
 - VOTE AGAINST the appointment of the Guarantor to finalize the Key Documents.
- (choose one option)

If this Proxy Form is signed and returned without any indication as to how the proxy shall vote, it will not be valid..

Dated as of: _____

Signed by:

Name of the Noteholder:
Email Address of the Noteholder:

In order to be valid, this Proxy Form, accompanied by a Blocking Certificate, must be received in original or as pdf-scan by email on or before 11:00 a.m. (Zurich time) on 4 March 2020 at the following address:

Lucid Issuer Services Limited
Tankerton Works
12 Argyle Walk London
WC1H 8HA United Kingdom

Email: ff@lucid-is.com

A pdf-scan by email is sufficient and originals are not required to be sent

Requests for information in relation to the Consent Solicitation should be directed to:

ISSUER

FF Group Finance Luxembourg II SA
54-56, boulevard Napoléon L-2210 Luxembourg

GUARANTOR

Folli Follie Commercial Manufacturing and Technical SA
23rd km of Athens-Lamia National Highway 145 65,
Ag. Stefanos, Attica Greece

*Requests for information in relation to the
procedures for participating in the Consent
Solicitation and the delivery of Blocking
Certificates and Proxy Forms should be directed
to:*

TABULATION AND INFORMATION AGENT

Lucid Issuer Services Limited

Tankerton Works
12 Argyle Walk London
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