

## EMEA DC MEETING STATEMENT 1 SEPTEMBER 2023

### SETTLEMENT IN RESPECT OF VUE ENTERTAINMENT INTERNATIONAL LIMITED

#### BUCKET 1 FINAL LIST AND APPROACH TO SETTLEMENT OF OTHER MATURITY BUCKETS

#### 1. SUMMARY

- 1.1 For the purpose of this statement, "**Bucket 1**" refers to Transactions that satisfy the following requirements: (i) the Scheduled Termination Date is on or prior to 20 September 2025; and (ii) either (A) a Credit Event Notice has been delivered by the Buyer; or (B) Section 3.32(a) of the 2014 Definitions has been amended so as to be applicable in circumstances where a Credit Event Notice is delivered by the Seller and a Credit Event Notice has been delivered by the Seller.
- 1.2 The DC has Resolved that a deemed Auction will be held in respect of Bucket 1 with an Auction Final Price of 100 per cent. No Auction will be held in respect of any Transactions other than those in Bucket 1. Buyers may exercise the Movement Option to settle Transactions in other Buckets by reference to the deemed Auction in respect of Bucket 1 (as described in paragraph 4 below). Sellers may not exercise the Movement Option (as no Seller Bucket Auction will be held).
- 1.3 The date of this Meeting Statement constitutes the No Auction Announcement Date in respect of Transactions not in Bucket 1.
- 1.4 The EMEA DC intends to publish the Final List in respect of Bucket 1 on 4 September 2023. This means the exercise window will open on 5 September 2023. The Exercise Cut-off Date for Sellers for standard Transactions is 6 September 2023 and the Exercise Cut-off Date for Buyers is 11 September 2023. A Credit Event Notice delivered by the Seller on or prior to the Exercise Cut-off Date applicable to Sellers will prevail over a Credit Event Notice delivered by a Buyer. Other key dates are set out below.
- 1.5 The timeline and all determinations in this Meeting Statement prevail over the indicative details published by the EMEA DC on 29 August 2023 for consultation (and such earlier statement should be disregarded).

#### 2. KEY DATES:<sup>1 2</sup>

**Date of Credit Event:** 26 January 2023

**Credit Event Resolution Request Date:** 2 February 2023

*(Note that the Credit Event Resolution Request Date will be the Event Determination Date for triggered Transactions which are subject to the Standard Event Determination Date – see Section 1.16(a)(ii)(B) of the 2014 Definitions.)*

**No Auction Announcement Date in respect of Transactions other than those in Bucket 1:** 1 September 2023

**Date of Publication of Final List:** 4 September 2023

**Exercise window for Sellers:** 5 – 6 September 2023 (inclusive)

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<sup>1</sup> Note the DC has applied the Business Days specified in the Credit Derivatives Physical Settlement Matrix and assumed that the Floating Rate Payer Calculation Amount is **GBP, EUR or USD** when calculating such dates. The DC has **not** considered the impact of non-Business Days in respect of Tokyo, Zurich or Toronto or any other Business Days the parties may have applied.

<sup>2</sup> Note that this section relates to standard Transactions and does not consider the application of Section 14.1 or 14.2 of the 2014 Definitions.

**Exercise window for Buyers:** 5 – 11 September 2023 (inclusive)

**Movement Option Cut-off Date:** 13 September 2023

**Auction Date in respect of Bucket 1:** 14 September 2023

**Auction Settlement Date in respect of Bucket 1:** 18 September 2023

*(Note that the Auction Settlement Date will occur **two** Business Days after the Auction Date)*

**NOPS Cut-off Date for Buckets subject to Physical Settlement:** 2 October 2023

**Physical Settlement Date:** 30 Business Days following 2 October 2023. This will depend on the currency of the Floating Rate Payer Calculation Amount:

- EUR and GBP denominated Floating Rate Payer Calculation Amount: 13 November 2023
- USD denominated Floating Rate Payer Calculation Amount: 15 November 2023 (due to Columbus Day and Veterans Day)

Note that (i) a Credit Event Notice to trigger a 2014 Transaction; (ii) a Notice of Physical Settlement; and (iii) a NOPS Amendment Notice must be delivered on or prior to 4:00 p.m. (London time) on a London Business Day to be effective on such London Business Day. Otherwise such notice will be effective on the next London Business Day.<sup>3</sup>

### **3. MATURITY BUCKETS FOR BUYER TRIGGERED TRANSACTIONS<sup>4</sup>**

- 3.1 A “Mod Mod R” Restructuring Credit Event is a “soft” Credit Event. This means that parties can choose whether or not to trigger 2014 Transactions. It is also possible to trigger in respect of only part of the Floating Rate Payer Calculation Amount.
- 3.2 Under Mod Mod R, 2014 Transactions triggered by a Buyer are bucketed by reference to the Scheduled Termination Date (up to the 10-year Limitation Date). This means that a Buyer triggered 2014 Transaction will settle by reference to Deliverable Obligations that have a final maturity date not later than the last day of the applicable Maturity Bucket (as of both the NOPS Effective Date and the Delivery Date). However, if the Seller triggers, bucketing will not apply and any Deliverable Obligation will be deliverable into the triggered 2014 Transaction (note this does not apply to Seller M(M)R Trades (as defined in the normal form of Auction Settlement Terms used by the EMEA DC when Auctions are being held) – these are Transactions where Section 3.32(a) of the 2014 Definitions is amended by the parties so as to be applicable in circumstances where a Credit Event Notice is delivered by Seller).
- 3.3 To trigger, either the Buyer or Seller must deliver a Credit Event Notice on or prior to the relevant Exercise Cut-off Date. Following feedback received on the proposed settlement process, the DC considered that for standard Transactions, the Exercise Cut-off Date should be determined under Section 1.41(a)(i) of the 2014 Definitions as the DC will publish both Auction Settlement Terms for Bucket 1 and a Final List for Bucket 1. The Exercise Cut-off Date for Sellers is 6 September 2023 and the Exercise Cut-off Date for Buyers is 11 September 2023. A Credit Event Notice delivered by a Seller will prevail over a Credit Event Notice delivered by a Buyer.
- 3.4 If the 2014 Transaction is recorded within the Trade Information Warehouse operated by DTCC, the DC understands that it is possible to serve the relevant Credit Event Notice within the Trade

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<sup>3</sup> See Section 1.38 (Requirements Regarding Notices) of the 2014 Definitions and the Credit Derivatives Physical Settlement Matrix which provides that the Calculation Agent City for Standard European Corporate Transactions is London.

<sup>4</sup> The Limitation Dates and Maturity Buckets are based on a Restructuring Date of 26 January 2023.

Information Warehouse platform. To the extent that the 2014 Transaction is not recorded within the Trade Information Warehouse, then a form of Credit Event Notice is provided in Exhibit B to the 2014 Definitions (available on ISDA's website).

- 3.5 The buckets for Transactions triggered by delivery by the Buyer of the Credit Event Notice are as follows:
- (a) As noted above, Bucket 1 is the 2.5-year bucket and will cover Transactions with a Scheduled Termination Date occurring on or prior to 20 September 2025.
  - (b) The second bucket is the 5-year bucket and will cover Transactions with a Scheduled Termination Date from and including 21 September 2025 to and including 20 March 2028 (**Bucket 2**).
  - (c) The third bucket is the 7.5-year bucket and will cover Transactions with a Scheduled Termination Date from and including 21 March 2028 to and including 20 September 2030 (**Bucket 3**).
  - (d) The fourth bucket is the 10-year bucket and cover Transactions with a Scheduled Termination Date from and including 21 September 2030 to and including 20 March 2033 (**Bucket 4**).
- 3.6 If the Scheduled Termination Date is later than the 10-year Limitation Date, the Modified Restructuring Maturity Limitation Date will be the Scheduled Termination Date.
- 3.7 As noted above, the Buckets are also applicable to Transactions where both of the following requirements are satisfied: (i) Section 3.32(a) of the 2014 Definitions has been amended so as to be applicable in circumstances where a Credit Event Notice is delivered by the Seller and (ii) a Credit Event Notice has been delivered in respect of such Transactions by the Seller.
- 3.8 If a 2014 Transaction is triggered, then the Event Determination Date will be 2 February 2023 (being the Credit Event Resolution Request Date).
- 3.9 Neither party is required to deliver a Credit Event Notice – if no Credit Event Notice is delivered, then such Transactions will continue to their maturity (unless another Event Determination Date occurs in future) and the Buyer will continue to pay the Fixed Amount. Similarly, a Credit Event Notice may apply to only part of the Floating Rate Payer Calculation Amount.

#### **4. MOVEMENT OPTION**

- 4.1 As noted above, an Auction will be deemed to be held in respect of Bucket 1 only. The Auction Final Price will be 100 per cent. No other Auctions will be held.
- 4.2 If a Buyer wishes to settle a Transaction that otherwise would not be in Bucket 1 through the deemed Auction, then such Buyer may exercise the Movement Option by delivery of a Notice to Exercise Movement Option. The Movement Option Cut-off Date is 13 September 2023. Any such Transaction would settle by reference to an Auction Final Price of 100 per cent.
- 4.3 The DC has published a list of Deliverable Obligations that would contain Permissible Deliverable Obligations in respect of Bucket 1 only. Such list contains no Permissible Deliverable Obligations. On that basis, the Permissible Deliverable Obligations which the Buyer could specify are more limited (or at least no broader) than those which could apply in respect of other Buckets. Accordingly, the DC determined that Section 6.15(a) of the 2014 Definitions would apply and a Buyer can exercise the Movement Option such that a Transaction settles by reference to Bucket 1.

4.4 The DC has not identified the Deliverable Obligations in respect of other Buckets and specified such obligations on the Final List. Section 6.15(b) of the 2014 Definitions provides that if the Movement Option is exercised by the Seller, then the Transaction will settle by reference to the Parallel Auction Settlement Terms, if any, for purposes of which **all** [*emphasis added*] Deliverable Obligations on the Final List will be Permissible Deliverable Obligations. In other words, if the Seller exercises the Movement Option, a Transaction should settle by reference to the Auction in respect of the Seller Bucket (but no Auction is being held in respect of the Seller Bucket). Accordingly, the DC has determined that this provision does not apply in the present circumstances (where (i) no Auction is being held in respect of the Seller Bucket; and (ii) the Final List contains no Deliverable Obligations but does not purport to represent **all** the Deliverable Obligations (as it is limited to Bucket 1 only)). Accordingly, the Seller cannot exercise the Movement Option.

## 5. FALLBACK TO PHYSICAL SETTLEMENT

5.1 The DC has determined that no Auctions will be held other than the deemed Auction in respect of Bucket 1. No Auction Settlement Terms will be published other than the Auction Settlement Terms for the deemed Auction in respect of Bucket 1.

5.2 Subject to the Movement Option discussed above which may only be exercised by Buyers, all triggered Transactions (other than those in Bucket 1) will settle by reference to the Fallback Settlement Method (i.e. Physical Settlement).

5.3 Note that in addition to the usual Deliverable Obligation requirements, for Buyer triggered 2014 Transactions, a Loan must be a “Conditionally Transferable Obligation”<sup>5</sup> as of both the NOPS Effective Date and the Delivery Date in order to qualify as a Deliverable Obligation.

5.4 In order to be a “Conditionally Transferable Obligation”, in summary a Loan must be transferable to any bank, financial institution or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities and other financial assets, provided that consent can be required from certain parties including the Reference Entity so long as such consent cannot be unreasonably withheld or delayed.

5.5 Deliverable Obligations that are Loans need not be delivered in accordance with any market advisory. Each Deliverable Obligation that is a Loan shall be delivered in accordance with its terms and parties are not required to enter into additional documentation (such as LMA Secondary Debt Trading Documentation).

5.6 The fallback provisions applicable to Physical Settlement differ for Loans compared to Bonds. Section 9.7 of the 2014 Definitions (*Buy-in of Bonds Not Delivered*) would not apply to Loans and Section 9.8 (*Alternative Procedures Relating to Loans Not Delivered*) may apply. These fallbacks are beyond the scope of this statement.

5.7 As Physical Settlement applies and settlement will occur bilaterally, market participants should consider whether a rebate is required in relation to the Fixed Amount payable by a Buyer under the 2014 Transaction, given the CDS roll dates that have occurred since February 2023.

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<sup>5</sup> See Section 3.32(b) of the 2014 Definitions.