

## EMEA DC Meeting Statement – 11 July 2025

### 1. SUMMARY

- 1.1 The EMEA DC met on 10 July 2025 to discuss the approach to the Auction in relation to the Bankruptcy Credit Event in respect of Altice France S.A. (the **Reference Entity**).
- 1.2 On 17 March 2025 the Reference Entity announced that creditors representing at least 90% of each tranche of Bonds issued by the Reference Entity had adhered to the framework agreement with the Reference Entity dated 25 February 2025 (the **Framework Agreement**).<sup>1</sup> In addition, the order of the Paris Court for Economic Affairs states that over 95% of the creditors of the Bonds issued by Altice France S.A. have entered into the Framework Agreement.<sup>2</sup>
- 1.3 The terms of the Framework Agreement are not publicly available. However, typically amongst other things, a restructuring support agreement will (i) restrict the transfer of debt that is subject to the terms of such agreement to parties that are not party to such agreement; and (ii) provide that any debt subsequently acquired by a person bound by such agreement immediately becomes subject to it (subject to certain exemptions).
- 1.4 In light of the Framework Agreement and the significant percentage of creditors subject to such Framework Agreement, the EMEA DC has resolved to publish a draft set of Auction Settlement Terms that include certain proposed amendments to facilitate cash settlement of Representative Auction-Settled Transactions (**RASTs**) that would otherwise not settle due to one of the parties thereto being bound by the Framework Agreement.
- 1.5 Section 3.2(d) of the DC Rules provides that, unless the Convened DC resolves otherwise by Supermajority, an amendment to the Auction Settlement Terms requires a public comment period for amendments to the Auction Settlement Terms. The draft Auction Settlement Terms are being published for the purposes of such public comment period.
- 1.6 **Eligible Market Participants should ensure that they carefully review the draft Auction Settlement Terms (and any revisions in any subsequent version and the final version) and should consult their own legal and other advisors. This Meeting Statement is a high level summary of certain provisions only and is no substitute for reading the relevant contractual and other provisions of the draft Auction Settlement Terms and any RASTs. Eligible Market Participants should send any feedback on any of the matters raised in this Meeting Statement and the draft Auction Settlement Terms to the DC Secretary by no later than 5:00 p.m. London time on Friday, 18 July 2025 (by email to DCSecretary@cdsdeterminationscommittees.org).**
- 1.7 The date of the Auction will be determined following the end of the consultation period and announced separately. Amongst other factors, the date of the Auction will depend on the time needed for the Auction Settlement Terms to be finalised and published. If it is practicable to do so, then the aim is that the Auction will be a day that falls during the weeks commencing 21 July 2025 or 28 July 2025.

### 2. THE FRAMEWORK AGREEMENT AND THE POTENTIAL IMPACT ON THE AUCTION

- 2.1 The Reference Entity has entered into the Framework Agreement with a very significant portion of its creditors. As noted above, on 17 March 2025 the Reference Entity announced that creditors representing at least 90% of each tranche of Bonds issued by the Reference Entity had adhered to the Framework Agreement. In addition, the order of the Paris Court for Economic Affairs states that over

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<sup>1</sup> See press release available at: <https://alticefrance.com/investors-view?category=144>

<sup>2</sup> See translation available in Chapter 15 Petition of the Reference Entity available at: <https://cases.ra.kroll.com/alticefrance/Home-Index>

95% of the creditors of the Bonds issued by Altice France S.A. have entered into the Framework Agreement.

- 2.2 Where a RAST cannot be settled as one party is subject to the Framework Agreement and the other party is not, the lack of liquidity in relation to the non locked-up Deliverable Obligations of the Reference Entity may result in the RAST buy-in provisions producing values that are not reflective of the credit impairment of the relevant Deliverable Obligation(s). The operation of such buy-in mechanics may also disincentivise Eligible Market Participants from participating in the Auction. To address this risk, the draft Auction Settlement Terms provide for Cash Settlement to apply to the RASTs that cannot be settled in such circumstances.
- 2.3 The EMEA DC notes that on 3 July 2025, ISDA published a public consultation about possible future amendments to be made to the Auction Settlement Terms more generally in order to address the presence of lock-up agreements. As noted by ISDA in such consultation, such consultation was not intended to inform the approach to be taken in relation to any live DC Question. Accordingly, the EMEA DC has resolved to publish the draft Auction Settlement Terms in relation to Altice France S.A.. Once the ISDA consultation process has been completed, changes to the form of Auction Settlement Terms (if any) for other future Credit Events would be considered separately and that process would not form part of the current DC Question relating to Altice France S.A..

### **3. GENERAL PROVISIONS OF AUCTION SETTLEMENT TERMS RELATING TO THE FRAMEWORK AGREEMENT**

- 3.1 This section 3 sets out various requirements that have been included in the draft Auction Settlement Terms in relation to the Framework Agreement. It is not intended to be exhaustive and is high level only.
- 3.2 Subject to any confidentiality obligations to the contrary in the Framework Agreement:
- (i) any Eligible Market Participant submitting a Physical Settlement Request or a Limit Order to a Participating Bidder will confirm at the time of such submission whether such Eligible Market Participant is bound by the terms of the Framework Agreement; and
  - (ii) upon request, a Participating Bidder will confirm to an Eligible Market Participant seeking to submit a Physical Settlement Request or a Limit Order whether such Participating Bidder is able to (i) take Delivery of Deliverable Obligations that are subject to the Framework Agreement; and (ii) take Delivery of Deliverable Obligations that are not subject to the Framework Agreement (on the basis that such Deliverable Obligations shall remain not subject to the terms of the Framework Agreement if they are to be on-Delivered by such Participating Bidder).

These requirements are intended to (i) allow the Participating Bidders to prepare for settlement of the RASTs resulting from the Auction; and (ii) to assist Eligible Market Participants when they are selecting the Participating Bidders to whom such Eligible Market Participants will submit Physical Settlement Requests and Limit Orders.

- 3.3 In addition, once the RASTs are entered into, subject to any confidentiality obligations to the contrary in the Framework Agreement:
- (i) each person Delivering Deliverable Obligations under a RAST (including, without limitation, any RAST between an Eligible Market Participant and a Participating Bidder or its Affiliate) must confirm in the Notice of Physical Settlement (or NOPS Amendment Notice) whether the relevant Deliverable Obligations will be subject to the terms of the Framework Agreement; and

- (ii) each Seller under a RAST must promptly confirm whether such party (or its designee) is able to take Delivery of Deliverable Obligations subject to the terms of the Framework Agreement.

Each party consents to the other party providing such information to any other party to a Related RAST.

3.4 As in prior Auctions, Notices of Physical Settlement must be delivered on the first Business Day following the Auction. In respect of the Altice France S.A. Auction, any NOPS Amendment Notice (being an amendment to the Deliverable Obligations set out in any prior Notice of Physical Settlement or prior NOPS Amendment Notice) must be delivered on or prior to the relevant NOPS Amendment Notice Cut-off Date. The NOPS Amendment Notice Cut-off Date is:

- (a) where an Eligible Market Participant is delivering to a Participating Bidder (or PB Affiliate), ten Business Days following the Auction;
- (b) where a Participating Bidder is delivering to another Participating Bidder, twelve Business Days following the Auction; and
- (c) where a Participating Bidder (or PB Affiliate) is delivering to an Eligible Market Participant, fifteen Business Days following the Auction.

The NOPS Amendment Cut-off Date has been introduced to facilitate settlement of the chains of RASTs and to enable the same Deliverable Obligations to be specified in respect of each RAST in a chain of RASTs.

3.5 The Auction Settlement Terms include certain provisions that facilitate the identification of chains of RASTs. For example:

- (i) Eligible Market Participant A Delivers Deliverable Obligations to Dealer B.
- (ii) Dealer B Delivers Deliverable Obligations to Dealer C.
- (iii) Dealer C Delivers Deliverable Obligations to Eligible Market Participant D.

3.6 If settlement of a chain of RASTs would be disrupted prior to the final link in the chain (e.g. in the example Dealer B cannot Deliver the Deliverable Obligations to Dealer C because Dealer C is not party to the Framework Agreement) but a directed settlement is reasonably likely to be successful, then the parties to such RASTs will use commercially reasonable efforts to agree terms to enter into a directed settlement such that such disruption will not occur (e.g. in the example Eligible Market Participant A or Dealer B delivers directly to Eligible Market Participant D). Note that such obligation to agree the terms of such directed settlement is subject to applicable law and regulation as well as the internal requirements of the relevant parties such as KYC requirements and credit approvals.

3.7 As in prior EMEA Auctions where a Reference Entity restructuring process is on-going, the EMEA DC also has the power to Resolve to publish a supplement to the Auction Settlement Terms and the provisions of such supplement would be binding on parties to RASTs.

#### **4. CASH SETTLEMENT MECHANICS**

4.1 The Cash Settlement mechanics are based on the cash settlement mechanics in respect the delivery of Loans under RASTs (which were already present in the Auction Settlement Terms for prior Auctions).

4.2 If a RAST cannot be settled due to the presence of the Framework Agreement, then such RAST will be a Failed Lock-up CDS Transaction under the Auction Settlement Terms. This triggers a Cash

Settlement process. In this section, the relevant Bonds that cannot be Delivered due to the Framework Agreement are the "**Affected Bonds**".

4.3 At a high level, the Cash Settlement process will involve the following:

- (a) All RASTs in a chain of "**Related RASTs**" are subject to the same Cash Settlement process and will settle by reference to the same "Final Price" due to such Cash Settlement.<sup>3</sup>
- (b) On the fifth Business Day following the Physical Settlement Date, the party that intended to Deliver the Affected Bonds will seek quotations for them under the Cash Settlement terms. Such Quotations must be firm quotations and quotations must be sought from at least five Dealers that are able to quote on Bonds subject to the Framework Agreement. Note that the assumption is that it would be possible to seek quotes from at least five Dealers that are able to quote on Bonds subject to the Framework Agreement – please provide feedback if you disagree with this assumption.
- (c) Any person in the chain of RASTs that would otherwise have received the Bonds is also able to provide a firm quotation. However, this will only apply if such person is able to receive the Bonds subject to the Framework Agreement. Therefore, this is not expected to be relevant in most cases as the relevant RAST would likely have settled in the ordinary course.
- (d) The Cash Settlement Amount will be equal to:

The RAST Notional Amount x (the Auction Final Price – the price determined under Cash Settlement).

If the Cash Settlement Amount is a positive amount, the person that would take Delivery of the Bonds will pay such amount to the other party and if the Cash Settlement Amount is a negative amount, the person required to Deliver the Bonds under the relevant RAST will pay such amount to the other party.

4.4 If a RAST fails to settle other than due to the presence of the Framework Agreement, the normal buy-in process will continue to apply.

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<sup>3</sup> The reference to "All RASTs in a chain of "Related RASTs" are subject to the same Cash Settlement process" is referring to the RASTs in the chain of Related RASTS that have not already settled at the time of the relevant Cash Settlement process. Clarificatory footnote added on 16 July 2025.