

Carrard Consulting SA

Creditors and holders of securities
deposited with Banque Privée
Espírito Santo SA in liquidation

Lausanne, March 1, 2017

Banque Privée Espírito Santo SA in liquidation (BPES): Liquidator Circular No. 8 regarding lodging of claims in the Espírito Santo Financière SA (ESFIL), Espírito Santo Financial Group SA (ESFG), Espírito Santo International SA (ESI) and Rio Forte Investments SA (RFI) bankruptcies for debt securities and fiduciary deposits filed with BPES

Dear Madam/Sir,

1. Introduction

This Circular is published on the BPES website at www.liquidator-bpes.ch. It is also sent by mail to all former clients of BPES, but the Circular is specifically intended at persons whose securities accounts with BPES contain, on the date hereof, the claims listed below against certain Espírito Santo group companies in bankruptcy in Luxembourg (the **Investors**). It serves to inform the Investors about the lodging of claims in Espírito Santo Financière SA (**ESFIL**), Espírito Santo Financial Group SA (**ESFG**), Espírito Santo International SA (**ESI**) and Rio Forte Investments SA (**RFI**) (together the **Companies concerned**).

The claims covered by this Circular (the **Claims**) are the following:

- Notes and bonds issued (or guaranteed) by the Companies concerned and contained in the portfolios of Investors with BPES;
- Claims arising from fiduciary investments made by BPES with ESI and RFI, in its name, but on behalf of Investors.

As stated in the BPES Liquidator's (the **Liquidator**) Circular No. 3 of 28 October 2014, BPES has lodged, as a precautionary measure, Claims against ESFIL and ESFG. This lodging acted as a safeguard of the rights of investors, until clarification and further de facto and de jure analysis of the situation, given the short period for lodging claims, until 27 October 2014, as part of the bankruptcies of both companies. To the knowledge of the Liquidator, no distribution, even partial, has been made in the liquidation of the ESFIL and ESFG bankruptcies.

The Liquidator also announced in this same Circular No. 3, its intention to lodge, also as a precautionary measure, where appropriate, the Claims that BPES could hold on

behalf of Investors against other companies in the now bankrupt Espírito Santo Group (i.e. including ESI and RFI).

The periods for lodging claims in the ESI and RFI bankruptcies have been extended several times; they are currently set at 31 May 2017. The liquidators of the Companies concerned have indicated in their respective notices that the periods for lodging claims were not deadlines with preclusive effect and that claim declarations filed after such periods would be accepted. According to the information available to the Liquidator, however, the loss of the right of the creditor concerned to participate in any distributions that have already been made prior to the filing of the claim declaration should be reserved.

2. Legal analysis

The de facto and de jure clarification of the situation related to the Claims and their lodging as part of the relevant bankruptcies of the Companies was particularly long and complex. Each issuance had to be analysed in order to ensure that the credit note corresponded to the subscription made by BPES and that the process was properly documented. In addition, the Liquidator had to exchange views with the Luxembourg receivers of the issuing companies in order to prepare the framework for lodging the Claims. Lastly, the Liquidator had to intervene with the criminal authority, as the global certificates incorporating the notes issued by ESI were not in the possession of BPES, being subject to confiscation as part of criminal proceedings; the Liquidator obtained from the competent criminal authority that these global certificates be handed over to BPES and remain in its possession; hence the liquidation proceeds related thereto must be paid BPES.

As stated in the Liquidator Circular No. 4 of 10 November 2014, all cash from segregated assets (including the liquidation proceeds of notes and bonds that can be paid to BPES) will be segregated in favour of the relevant Investor and thus not fall into the BPES estate in bankruptcy, subject to possible claims of BPES or third parties on such assets.

These analyses and exchanges with the liquidators of the Companies concerned have led to the following conclusions:

- **BPES will directly pursue in the bankruptcies of the Companies concerned the Claims arising from debt securities (notes and bonds) issued by ESI, RFI and (according to the lodging of claims already filed) ESFIL and ESFG investments contained in the portfolios of Investors with BPES;**
- **However, Investors are responsible for directly and personally pursuing the bankruptcies of these Companies, those Claims arising from fiduciary investments made by BPES with ESI and RFI, in their name, but on behalf of Investors. No prior deed of assignment is required, the assignment being carried out by law because of the bankruptcy filed by BPES. Despite this**

legal assignment, fiduciary investments continued to be listed 'for the record' in the portfolio statements issued to investors after the collapse of BPES, to the extent that the Liquidator has not become aware of an assignment of such Claims taking place since then.

The measures taken by BPES will be limited to pursuing, in its name, in the bankruptcies of the Companies concerned the Claims arising from debt securities (notes and bonds) issued by these entities. BPES will be entitled to directly take any additional action required by one or more Investor(s) or to give proxy (to a third party or to the claimant(s)) to take such action. The costs and expenses (including the Liquidator's fees) related to any additional action that would be required by one or more investor(s) must be borne by the claimant(s).

The receivers for ESI and RFI notified the Liquidator of their right to challenge the declaration of claims made by BPES based on the merits. In addition, the receivers for ESI and RFI informed the liquidator that each claim could be only be subject to one declaration of claim. The receivers for ESI and RFI therefore invite Investors to withdraw their declarations of claims arising from debt securities (notes and bonds) issued by these entities, in order to avoid multiple declarations of claims, which automatically result in a challenge of those claims by the receivers. The Investors should consult the website on the bankruptcies of the Luxembourg entities which contains the information and documents relating to the withdrawal of the declarations of claims against these entities (<http://www.espiritasantoinsolvencies.lu>).

3. The steps to be taken to lodge Claims for fiduciary investments in the bankruptcies of the Companies concerned

Information relating to the terms for lodging any claims in the bankruptcy of the Companies concerned in Luxembourg (including a standard form as well as information on the disclosure requirements and additional documents to be attached to the declarations of claims) are freely accessible on the website at <http://www.espiritasantoinsolvencies.lu>.

To enable Investors to file the declarations of their Claims arising from fiduciary investments in the bankruptcies of the Companies concerned in accordance with the requirements, BPES will provide the following documents for each Claim, on request and against prior payment of a fee of CHF 200 per position:

- Investor statement of account with BPES from the date of BPES' bankruptcy;
- Investor statement of account with BPES from the date of bankruptcy of the Company concerned;
- Recent statement of account for the Investor with BPES;

- Copying of advice slip issued by BPES to the counterparty (Company concerned), on one hand, and the Investor, on the other;
- Proof of transfer of funds to the counterparty if not contained in the aforementioned advice slip;
- For digital accounts (for which the name of the investor(s) does not appear on the advice slip that would have been issued thereto), the certificate by the Liquidator on the identity (identities) of the investor(s) concerned.

These documents can be requested using the enclosed form, to be returned duly completed to the Liquidator to the address indicated.

Investors may use the documents listed above to make a claim declaration in their name to the extent that they are still holders of the Claim at the time of filing the declaration; in particular, they cannot make use of these documents on their behalf if they have assigned the Claim to a third party since the date of the BPES bankruptcy.

Kind regards.

The Liquidator, Carrard Consulting SA

BANQUE PRIVEE ESPIRITO SANTO SA IN LIQUIDATION

Lodging of Claim in Luxembourg - Request for issuance of documents

This form is issued in connection with the bankruptcy of Banque Privée Espirito Santo SA in liquidation (**BPES**) and refers to Circular No. 8 issued by the liquidator. In accordance with the explanations contained in the relevant circular, former BPES clients wishing to pursue their rights against the companies of the now bankrupt Espirito Santo Group in Luxembourg (the **Companies concerned**) in connection with the fiduciary investments made by BPES in its name but on behalf of these former clients, may request the liquidator to issue the documents mentioned in point 3 of the aforementioned circular.

To do this, this form must be completed for each fiduciary investment for which documents are requested. It may therefore be necessary to submit several requests to the BPES liquidator.

The liquidator shall provide the documents upon receipt of this completed application signed by the authorised person(s) and subject to prior payment of a fee of CHF 200 per request to the bank account of BPES held with Banque Cantonale Vaudoise (BCV [Switzerland] - Swift: BCVLCH2LXXX; IBAN: CH44 0076 7000 H027 2315 0).

The documents may be issued only if the applicant holds the relevant position in its portfolio on the day of receipt of the request by the liquidator.

The form must be sent to the following address: Banque Privée Espirito Santo SA in liquidation, c/o Carrard Consulting SA, rue Pépinet 3, case postale 5671, 1002 Lausanne, Switzerland.

<u>Applicant Information</u>	
Surname/company name:	
First name:	
Home address/registered office address (street, city, zip code and country):	
No. of securities account with BPES:	

<u>Information about the fiduciary investment</u>	
Company concerned (counterparty):	
¹ Fiduciary investment concerned (name and reference no.):	

<u>Payment Information</u>	
Date of payment of the fee of CHF 200:	

Place and date:

²Signature:

¹ The specific indication of the relevant position is required, as contained in the portfolio statement.

² Signature of all authorized signatories on the related account with BPES.