

**Annexure A – Rating Rationale
CM Structured Products (2) Ltd (“CMSPL2”)**

Ratings

Instrument	Amount (MUR Million)	Rating	Rating Action
Secured Credit Linked Notes (“CLN”)	EUR 5 million (MUR 200 million)	CARE MAU A- (SO) Stable [Single A Minus (Structured Obligation); Outlook: Stable] CARE MAU A2+ (SO) [A Two Plus (Structured Obligation)]	Assigned

Rating Rationale

The ratings are supported by the integrity of the legal structure and the structured payment mechanism designed to ensure timely payment of the interest on the rated Credit linked Notes, as per the terms of the transaction and is not a standalone rating of CM Structured Products (2) Ltd .

The ratings assigned to CMSPL2 derives strength from the operational & financial performance of the reference entity, currently City and Beach Hotels (Mauritius) Limited (rated CARE MAU A; Stable) since the debt repayment will be made out of the operational cash flow of this company.

The ratings are however constrained by ability of the Underwriter to arrange funds on the execution of Put option by the Investor on the interest reset date, regulatory risk associated with issue of Credit linked Notes and interest rate risk.

Financial performance of the reference entity, level of indebtedness of the reference entity vis-à-vis operational cash flow and ability of the Underwriter to arrange funds in a timely manner on interest reset dates are the key rating sensitivities.

BACKGROUND

CM Structured Products (2) Ltd (“CMSPL2”), a public limited company, was incorporated as a Special Purpose Vehicle (SPV) under the laws of Mauritius on June 13, 2018. It is wholly-owned by MCB Capital Markets Ltd, which is a wholly-owned subsidiary of MCB Group Limited, a company listed on the Official Market of the Stock Exchange of Mauritius (SEM). The Mauritius Commercial Bank Limited (wholly owned subsidiary of MCB group) is rated CARE MAU AAA (IS) Stable.

CMSPL2 was incorporated with a capital of Mur. 10,000 (1,000 Class A Shares issued at MUR 10 each), fully subscribed by MCB Capital Markets Ltd. On the date of issue of CLN, MCB Capital Markets Ltd. have infused equity of EUR 375,000 (subscribing to 375 Class B Shares at a price of EUR 1,000 each) for the purpose of credit enhancement of the CLN. The broad structure of the issued credit link notes is as under:

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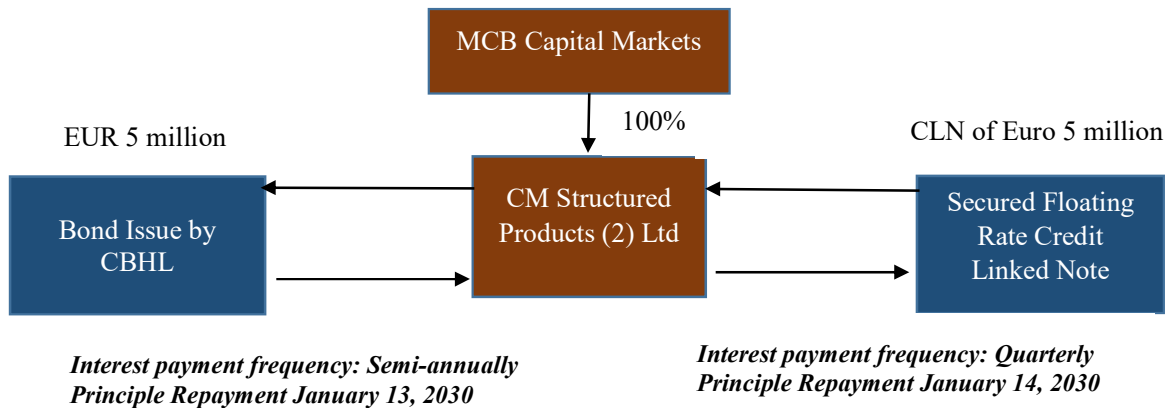
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- Raised through a private placement
- Investors benefit from an interest income relating to the risk of the loan

CMSPL2 is raising EUR 5 million (Mur 200 million), from the issue of the CLNs, to subscribe to the Bond issue of City and Beach Hotels (Mauritius) Limited ('CBHL' rated CARE MAU A; Stable) owning the hotel property of La Pirogue ("CBHL" or "The Reference Entity").

CMSPL2 will issue additional Notes up to a maximum amount of Euro 50 million and once CMSPL2 decides to issue fresh CLNs and invest the proceeds in new Reference entities, CMSPL2 will approach CRAF with a fresh undertaking for similar amount from MCB Stock Brokers and credit enhancement and CRAF will review the assigned ratings.

CMSPL2's sponsor (MCB Capital Markets Ltd) has credit-enhanced the Notes by EUR 375,000 (7.5% of the total CLN issue). This amount shall be used as a first-loss cash-collateralised guarantee and will be either held in an account at any Bank duly authorised to carry out banking business in Mauritius by the Bank of Mauritius or any licensed deposit taking institution in Mauritius or be invested in sovereign securities with a credit rating at least equivalent to that of Mauritius at the time of the investment.

CMSPL2 shall continuously issue notes whose Interest rate can be reset on every review date and will be notified to the Note holders through the Circular Notice. The interest rate for the first spread period is 2.25% p.a. A Review Date shall always fall on an Interest Payment Date with the first Review Date falling no later than January 13, 2021. Any amendment to a Review Date shall be specified in the Circular Notice issued prior to such Review Date.

Bond issue by City and Beach Hotels (Mauritius) Limited [EUR 5 Million due for redemption on 13 January 2030] is for a period of 10 years. CBHL will be paying semi-annual interest to CMSPL2 and CMSPL2 will be paying quarterly interest to its note-holders.

The rating is dependent on the financial performance of CBHL, since the debt repayment will be made out of the operational cash flow of CBHL. This apart the Note holder shall have the right, upon receipt of

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the Circular Notice, to request and compel the Issuer to redeem, purchase or arrange for the purchase of, the whole or part of its Notes (“Put Option”) on the Review Date.

MCB Stock Brokers Ltd. has provided a Shortfall undertaking for EUR 5 Million for 10 years to CMSPL2. As per the undertaking in the event of the exercise of the Put Option by a note holder (Existing Investor) in accordance with the terms of the PPM, the underwriter shall purchase, and/or cause for the purchase of, all notes in respect of which a Put Option has been exercised. The underwriter shall pay the Put Proceeds to each Existing Investor on the Review date.

Accordingly, CRAF has also analysed the ability of MCB Stockbrokers Ltd. and MCB Capital Markets Ltd., to arrange for EUR 5 million (Mur 200 million) of debt on the Interest Reset Dates.

MCB Stockbrokers Ltd. are 100% subsidiary of MCB Capital markets and step down subsidiary of MCB Group Limited. The company was established in 1989 and is a founding member of the Stock Exchange of Mauritius (SEM). Licensed and regulated by the Financial Services Commission (FSC) of Mauritius, MCB Stockbrokers Ltd is one of the leading stock-broking companies of Mauritius, offering a range of services to local, foreign, retail as well as institutional clients. MCB Stockbrokers Ltd holds an Investment Dealer (Full Service Dealer including Underwriting) licence from FSC and has been underwriting corporate transactions for amounts ranging from MUR 100 million to MUR 3.6 billion since 2014, with aggregate exposures not exceeding MUR 4 billion in any single financial year.

MCB Stockbrokers Ltd has provided an undertaking that it is able to leverage its access to a variety of readily available sources of finance within MCB Capital Markets Ltd and MCB Group Ltd should a significant portion of the underwriting risks materialize.

MCB Capital Markets Ltd. is the investment banking arm of the MCB Group, the leading financial institution in Mauritius.

MCB Group Limited [holding company of The Mauritius Commercial Bank Limited – rated CARE MAU AAA (IS)], has a diversified ownership base of more than 20,000 shareholders, with foreign shareholding accounting for around 14% of the total. Top 6 largest shareholders holding in total of 18.53% stake are - National Pensions Fund (6.91%), Swan Life Ltd (3.37%), Promotion and Development Limited (3.01%), SICOM (2.19%), Eastspring Investments (Singapore) Ltd. (1.85%) and MUA Life Ltd. (1.2%).

Financial Indebtedness

As at the date of the PPM, the Issuer (CMSPL2) warrants that it does not have any Financial Indebtedness. Save/Except for the Permitted Financial Indebtedness, the Issuer shall be prohibited from entering into any Issuer Financial Indebtedness without the consent of the Note holders’ Representative.

Background of City and Beach Hotels (Mauritius) Limited

(Visit <http://www.careratingsafrica.com/rating-symbols-definitions.php> for detailed Rationale of City and Beach Hotels (Mauritius) Limited)

City and Beach Hotels (Mauritius) Limited (rated CARE MAU A; Stable)

City and Beach Hotels (Mauritius) Limited ('CBHL') was incorporated on June 1971, to develop the hotel property of La Pirogue Resort and Spa (La Pirogue) in Flic en Flac on the west coast of Mauritius. It is a subsidiary (99.82%) of Sun Limited, which is a subsidiary (50.10%) of CIEL Limited (rated CARE MAU AA Negative/CARE MAU A1+).

As of September 2019, La Pirogue has 248 rooms and 5 restaurants operating at an average occupancy above 80% for last 3 years. For last 40 years, La Pirogue has undergone various expansions and renovations with the latest being during June-August 2017, when the hotel was closed for 7 weeks.

Since inception, La Pirogue has positioned itself as a mid-market (4-star category) resort player in the tourism sector of Mauritius. La Pirogue is popular among the European tourists, given its iconic image. The resort has also won several awards from TripAdvisor, booking.com and guest review award for its quality of service.

A brief snapshot of consolidated financials of CBHL is given below:

Mur Million

For the year ended as on	Jun-17	Jun-18	Jun-19
Total Income	798.4	893.9	978.9
EBIDTA	176.0	255.9	316.1
Depreciation	28.2	39.8	41.0
Interest	24.9	41.3	31.9
PBT	122.9	174.7	243.3
PAT	102.3	146.4	202.5
Gross Cash Accruals (GCA)	130.5	186.2	243.4
Dividend paid/proposed	0.0	300.0	300.0
Equity share capital	15.5	15.5	15.5
Tangible net worth	1,166.7	1,140.4	1,133.1
Total debt	251.7	512.2	510.0
-From shareholder	250	510	510
-From bank	1.7	2.2	-
Cash & Bank balances	2.8	3.8	9.5
Key Ratios			
EBIDTA / Total income	22.04	28.63	32.29
PAT / Total income	12.81	16.37	20.68
ROCE- operating (%)	10.94	12.72	15.06
RONW (%)	9.17	12.69	17.81
Long term debt equity ratio	0.21	0.45	0.45
Overall gearing ratio	0.22	0.45	0.45
Interest coverage (EBITDA/Interest)	7.07	6.19	9.92
Total Debt/ Gross Cash Accruals	1.93	2.75	2.09
Total Debt/ EBITDA	1.43	2.00	1.61
Current ratio	2.69	1.13	1.46
Average collection period (days)	10.05	1.9	3.5
Average inventory (days)	2.47	3.0	4.2
Average creditors (days)	3.00	16.2	23.8
Op. cycle (days)	9.52	(11.4)	(16.1)

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Interest Rate and Repayment Terms of the CLN - CLN will be repaid out of cash flow to be received from CBHL.

Interest Rate	Interest Rate during First Spread Period = 2.25% p.a. (Interest Rate may be reset on each Review Date and will be notified to the Noteholders through the Circular Notice)
Indicative Amount	Euro 5 million
Interest Period	The first Interest Period in respect of any issue of Notes shall start on (and include) the Issue Date of such Notes and end on (but exclude) the Interest Payment Date immediately following such Issue Date and thereafter, the next Interest Period shall begin on (and include) an Interest Payment Date and ending on (but exclude) the next Interest Payment Date.
Review Date	The date, at the discretion of the Issuer but always subject to a Circular Notice being served on Noteholders under the terms and conditions of this PPM, on which any amendment to the Interest Rate, Reference Basket and other terms and conditions of this PPM becomes effective. A Review Date shall always fall on an Interest Payment Date with the first Review Date falling no later than January 13, 2021. Any amendment to a Review Date shall be specified in the Circular Notice issued prior to such Review Date.
First Interest Payment Date	April 13, 2020 Subject to the provisions of Paragraph 6.8.3 (Credit Event Acceleration), interest on the Notes shall, subject to the Business Day Convention, be paid every three (3) months as from the first Payment Date.
Frequency of Interest Payment	Interest shall be paid quarterly in arrears on the 13 th April, 13 th July, 13 th October and 13 th January (each an “Interest Payment Date”) of each year.
Circular Notice (Clause 3.4)	Subject to a Circular Notice being served and to applicable laws, the Issuer may, at its sole discretion, issue further Notes up to the Total Aggregate Nominal Amount. All new Notes issued shall, unless otherwise provided in the Circular Notice, have same rights as, rank pari passu with, and be assimilated to, the existing Notes. The Issuer may, from time to time, elect to offer existing Noteholders a right of first refusal (the “Right of First Refusal”) in subscribing to the further Notes. Upon the receipt of the Circular Notice and the optional Right of First Refusal, investors may by exercising the option Right of First Refusal (under the terms and conditions laid out in the Circular Notice) increase their subscription to the Notes.
Maturity date of the CLN	Bullet repayment January 14, 2030

Interest Rate and Repayment Terms of the Bond issued by CBHL

Frequency of Interest Payment	Semi-Annual
Repayment Terms of the Loan	Year 10 (January 13, 2030)
Source of Repayment	Operational cashflow of CBHL

Principal terms pertaining to the Credit linked Notes

TERMS AND CONDITIONS	
Nature of Instruments	Secured credit-linked floating rate notes
Issuer	CM Structured Products (2) Ltd
Investment Dealer	M.C.B Stockbrokers Limited
Method of placing	Private placement with Eligible Investors
Aggregate Nominal Amount	EUR 5,000,000
Nominal / Issue Price per Note	EUR 1,000
Currency	EUR
Use of proceeds	To subscribe to the Bond issue of the Reference Entity (CBHL)

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Interest Rate	<ul style="list-style-type: none"> In relation to the Notes of the first issue, the Interest Rate shall be 2.25% p.a. In relation to any further issue of Notes, the Interest Rate shall be the rate applicable for the Interest Period during which such issue were made. In relation to any Interest Period, the Interest rate shall be as specified in the relevant Circular Notice. The Interest Rate may be reset on each Review Date and will be notified to the Noteholders through the Circular Notice
Interest Period	The first Interest Period in respect of any issue of Notes shall start on (and include) the Issue Date of such Notes and end on (but exclude) the Interest Payment Date immediately following such Issue Date and thereafter, the next Interest Period shall begin on (and include) an Interest Payment Date and ending on (but exclude) the next Interest Payment Date.
Review Date	The date, at the discretion of the Issuer but always subject to a Circular Notice being served on Noteholders under the terms and conditions of this PPM, on which any amendment to the Interest Rate, Reference Basket and other terms and conditions of this PPM becomes effective. A Review Date shall always fall on an Interest Payment Date with the first Review Date falling no later than 13 January 2021. Any amendment to a Review Date shall be specified in the Circular Notice issued prior to such Review Date.
Interest Payment Date	Subject to the provisions of Paragraph 6.8.3 (Credit Event Acceleration), interest on the Notes shall, subject to the Business Day Convention, be paid every three (3) months as from the first Payment Date
Automatic Redemption at Maturity	Unless redeemed early, the Notes shall automatically be redeemed on the applicable Maturity Date and the redemption proceeds payable to the Noteholders shall be an amount calculated at a price per Note equal to the Nominal Amount per Note
Put Option	Except in the case of a Credit Event or an Issuer Event of Default, each Noteholder shall have the right, upon receipt of the Circular Notice, to request the Issuer to redeem, purchase or arrange for the purchase of, the whole or part of its Notes on terms specified in Clause 6.8.1
Call Option	The Issuer may, at its sole discretion, at any time upon giving to the Noteholders at least five Business Days written notice (or such other delay as may be prescribed by the Applicable Procedures), redeem the whole or part of the Notes on terms specified in Clause 6.8.2
Credit Event	Shall be deemed to occur upon the Issuer either (i) being notified (by the Reference Entity or the noteholders' representative of the Defaulting Reference Underlying (or its agents, if any)) or (ii) otherwise taking cognizance of an event of default in respect of any of the Reference Entities (such event of default being as described in the relevant Reference Underlying Documentation)
Credit Event Acceleration	Upon being notified, or upon taking cognizance of the occurrence of a Credit Event, the Issuer shall give notice thereof to the Noteholders' Representative and to the Noteholders and the Issuer shall redeem the Notes on terms specified in Clause 6.8.3
Limited Recourse	Recourse of the Noteholders shall be limited to the Issuer, the Reference Underlying and the available assets of the Issuer only. No recourse shall extend to the Issuer's directors, shareholders, employees, service providers or agents who shall not be liable for any shortfall arising or losses sustained by Noteholders. The Noteholders shall have no rights whatsoever against the Issuer's directors, shareholders, employees, service providers or agents
Circular Notice	A written notice sent by the Issuer to each Noteholder and the Noteholders' Representative by email at least twelve (12) Business Days before each Review Date. Each Circular Notice executed by the Issuer shall be appended to PPM as a schedule and shall have the effect of amending and supplementing the PPM and, taken together with the PPM, shall constitute the complete PPM as amended by those Circular Notices.
Listing	The Issuer shall use its best endeavours to list the Notes on the Official Market of the SEM prior to the first Interest Payment Date.
Registrar, Calculation, Transfer and Paying Agent	MCB Registry & Securities Ltd
Noteholders' Representative	MUA Life Ltd
Form of the Notes	The Notes will be issued in inscribed form. No certificates will be issued. Legal ownership of the Notes will be reflected in book entries recorded by the Registrar on the Register, which shall constitute the definitive evidence of the title of the Noteholder to the number of Notes shown against his name.

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Status of the Notes & Security Interest	The Notes shall constitute secured obligations of the Issuer and shall rank pari passu among themselves. The Notes shall be secured by a pledge of all the constituents of the Reference Basket in favour of the Noteholders Representative for the benefit of the Noteholders. There is no third party guarantee which is provided by any entity within the Issuer's group in connection with the Notes
Governing Law	The laws of the Republic of Mauritius
Jurisdiction	By mediation and arbitration under the rules of the Arbitration and Mediation Center of the Mauritius Chamber of Commerce and Industry (MARC)
Credit enhancement	Means an amount in MUR which shall be at least equal to 4.5% of the outstanding Aggregate Nominal Amount, converted to MUR at a fixed EUR/MUR rate of MUR 40.00, and notified to the Noteholders through the Circular Notice or PPM (as applicable). The Issuer does not intend to adjust this amount in line with appreciation/ depreciation of the EURMUR exchange rate.
Rating	<p>The transaction advisor expects that CARE Ratings (Africa) Private Limited ("CRAF") assigns a rating to the Notes. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning agency</p> <p><u>Rating Surveillance</u></p> <p>The assigned rating shall be monitored by CRAF during the lifetime of the Note. The Notes may be upgraded or downgraded. The conclusion of this annual review will be communicated by CRAF to the general public on the website, www.careratingsafrica.com</p>
Offer Start Date/ Time	2 December 2019
Offer End Date/ Time	10 January 2020
Settlement Date/ Time	13 January 2020
Issue Date	13 January 2020
Final Redemption Date	14 January 2030
Next Reset date	13 January 2021
Next Interest Payment Date	13 April 2020
Clause 6.8.1 (Put Option) in which case (CRAF has analysed the ability of CMSPL2 and MCB group to repay the Noteholders on the Interest reset date)	<p>Put Option</p> <ol style="list-style-type: none"> Except in the case of a Credit Event or an Event of Default and subject to the exercise of the Call Option, each Noteholder shall have the right, upon receipt of the Circular Notice, to request and compel the Issuer to redeem, purchase or arrange for the purchase of, the whole or part of its Notes ("Put Option"). The Put Option shall be exercised by way of a notice in writing ("Put Notice") served on the Issuer within three Business Days of the date of the Circular Notice. Once sent, the Put Notice shall be irrevocable, except if waived by the Issuer. Unless redeemed by the Issuer, the transfer of the Notes in respect of which the Put Option have been exercised shall, subject to the conditions the SEM may impose, be by way of transfer between the Noteholder exercising its Put Option on the one hand, and the Issuer, the Underwriter or such other person as the Underwriter may determine (as the case may be) on the other hand. The proceeds payable to the relevant Noteholder ("Put Proceeds") will be calculated at a price per Note equal to the Nominal Amount per Note and net of Trading cost ("Put Proceeds"). The Put Proceeds shall be payable on the Interest Payment Date immediately following the date on which the Put Notice is sent to the Issuer. In the case of a Disruption Event, the Issuer may, at its discretion, suspend wholly or partially the Put Option for such time as it deems appropriate in light of the relevant Disruption Event. The Issuer shall notify the Noteholders of the start and end of the Disruption Event.
Clause 6.8.2 (Call Option)	<p>Call Option</p> <ol style="list-style-type: none"> The Issuer may, at its sole discretion and at any time, upon giving the Noteholders at least five Business Days written notice ("Call Notice"), redeem the whole or part of the Notes ("Call Option"). The redemption proceeds payable by the Issuer (or any person on its behalf) in relation to the exercise of a Call Option will be calculated at a price per Note equal to the Nominal Amount per Note and will be paid together with accrued interest from the last Interest Payment Date until the date of actual payment ("Call Proceeds"). The Call Proceeds shall, subject to any other delay as may be prescribed by the Applicable Procedures, be payable on a date falling on the fifth Business Day following the date of the Call Notice.

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	<p>d) The Call Option shall always have prevalence on any Put Option that has been exercised before the Call Option. Accordingly, the exercise of the Put Option shall be processed only for the number of Notes that exceeds the number of Notes contemplated in the Call Notice.</p> <p>e) The Notes which are the subject of a Call Option shall be redeemed and such redemption shall, to the extent that the Notes are listed, be effected as an off-market transaction under the Applicable Procedures.</p>
<p>Clause 6.8.3 <i>(Credit Event Acceleration)</i></p>	<p>Credit Event Acceleration</p> <p>(a) On the occurrence of a Credit Event:</p> <p>(i) the Issuer shall give notice thereof (“Credit Event Notice”) within five Business Days of being notified or taking cognizance of the occurrence thereof to the Noteholders’ Representative and the Noteholders; and the Issuer shall redeem the whole or part of the Notes</p> <p>(ii) the Noteholders shall cease to have the right to receive interest payments under the Notes, as from the Interest Payment Date immediately preceding the occurrence of the Credit Event;</p> <p>(iii) the right of Noteholders to redemption proceeds calculated at the Nominal Amount per Note shall be superseded by the redemption proceeds specified in Paragraph 6.8.3(b) below; and</p> <p>(iv) the Put Option shall be suspended</p> <p>(b) The redemption proceeds will, at the absolute discretion of the Issuer, be paid, to the Noteholders on a pro rata basis in any of the following manner or any combination thereof:</p> <p>(i) in specie by the transfer to the Noteholders, of some or all of the Reference Underlying(s) as soon as practicable after the Credit Event; and/or</p> <p>(ii) in specie, after the Credit Event Transfer, by the issue by the Credit Event Transferee, of Notes having as underlying, the Defaulting Reference Underlyings (“New CLN”). The New CLN will be issued as soon as practicable after the Credit Event Notice; and/or</p> <p>(iii) in cash up to the amount so received and/or recovered net of recovery costs, where:</p> <p>a. cash has been received by redemption or sale of one or more of the Defaulting Reference Underlying(s) such cash being paid as soon as practicable after the Credit Event; and/ or</p> <p>b. cash has been recovered in respect of the Defaulting Reference Underlying(s), such cash being paid as soon as practicable after the receipt of such funds.</p> <p>(c) Notwithstanding anything to the contrary in this PPM, the receipt of the redemption proceeds as specified in Paragraph 6.8.3(b) (if any) by the Noteholders shall be conclusive evidence of the full discharge of the Issuer’s obligations towards the Noteholders and the latter shall have no further rights whatsoever against the Issuer in respect of the Notes held by them.</p> <p>(d) The New CLN shall have as sole Reference Underlying, the Defaulting Reference Underlyings and holders of the New CLN shall have no right whatsoever to interest payments and redemption proceeds calculated at the Nominal Amount per Note. The holders of the New CLN shall solely be entitled to cash recovered or to be recovered (as the case may be) in respect of the Defaulting Reference Underlyings to which the New CLN relates, net of (i) recovery costs and (ii) the Recovery Fee. Any amounts recovered will be paid to the holders of the New CLN as soon as practicable.</p> <p>(e) Where the Issuer has elected for a Credit Event Transfer, the Issuer will, on the date of the Credit Event Transfer, adjust the Nominal Amount per Note to bring the latter to the Performing CLN Nominal Amount per Note (the “Adjustment Date”). For the purposes of this PPM, the Notes shall accordingly be construed as “Performing CLN” (“Performing CLN”) and the holders of the Performing CLN shall, as from the Adjustment Date, be entitled to:</p> <p>a. interest payments calculated based on the Performing CLN Nominal Amount per Note, at the Interest Rate set out (as the case may be) in this PPM or the Circular Notice immediately preceding the occurrence of the Credit Event and on the Interest Payment Date immediately following the Adjustment Date; and</p> <p>b. redemption proceeds calculated at the Performing CLN Nominal Amount per Note; and</p> <p>c. all rights under this PPM suspended or cancelled in reason of the occurrence of the Credit Event.</p> <p>After an Adjustment Date, a reference to “Notes” in this PPM shall be a reference to the “Performing</p>

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	<p>CLN". The first Review Date of the Performing CLN after the Adjustment Date shall be the date falling one (1) year after the Adjustment Date.</p>
<p>Clause 6.12 <i>(Limited Recourse)</i></p>	<p>(a) The Notes are direct and limited recourse obligations of the Issuer ("Limited Recourse"). The Issuer's payment obligations under the Notes will be wholly dependent upon receipt by it, in full, of payments of amounts payable under the Reference Underlying. Other than the foregoing and the Credit Enhancement Amount, the Issuer will have no other funds available to meet its obligations under the Notes.</p> <p>(b) Recourse to the Issuer shall be limited to the Reference Basket or other assets subject to Security Interest and the proceeds of such assets, as applied in accordance with this PPM. If such assets and proceeds prove ultimately to be insufficient (after payment of all claims ranking in priority to amounts due under the Notes) to pay in full all principal and interests on the Notes, then, the Noteholders shall have no further recourse against the Issuer or any other person for any shortfall arising or any loss sustained.</p> <p>(c) Such assets and proceeds shall be deemed to be "ultimately insufficient" at such time when the Issuer certifies to the Noteholders and the Noteholder's Representative that (i) no further assets are available and no further proceeds can be realised therefrom to satisfy any outstanding claims of the Noteholders, and that (ii) neither assets nor proceeds will reasonably likely be so available thereafter.</p> <p>(d) The Noteholders shall, once such assets and proceeds are deemed to be ultimately insufficient, have thereafter neither further claims against the Issuer nor have recourse to the Issuer's directors, shareholders, employees, service providers or agents and their claims shall be extinguished.</p> <p>(e) For avoidance of any doubt, the Issuer's directors, shareholders, employees, service providers or agents shall not be liable for any shortfall arising or losses sustained by Noteholders and the Noteholders shall have no rights whatsoever against the Issuer's directors, shareholders, employees, service providers or agents.</p>

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Details of Instrument

Instrument	Amount	Repayment	Interest Rate
Secured Credit Linked Note	EUR 5 million (MUR 200 million)	Year 10 (January 2030)	2.25% p.a.

Disclaimer

CARE Ratings (Africa) Private Limited (“CRAF”)’s ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CRAF’s ratings do not convey suitability or price for the investor. CRAF’s ratings do not constitute an audit on the rated entity. CRAF has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CRAF does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CRAF have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CRAF may also have other commercial transactions with the entity.

In case of partnership/proprietary concerns, the rating /outlook assigned by CRAF is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CRAF is not responsible for any errors and states that it has no financial liability whatsoever to the users of CRAF’s rating. CRAF’s ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

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Annexure I

Long /Medium-term Instruments

Symbols	Rating Definition
CARE MAU AAA	Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations, in Mauritius. Such instruments carry lowest credit risk.
CARE MAU AA	Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations, in Mauritius. Such instruments carry very low credit risk.
CARE MAU A	Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations, in Mauritius. Such instruments carry low credit risk.
CARE MAU BBB	Instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations, in Mauritius. Such instruments carry moderate credit risk.
CARE MAU BB	Instruments with this rating are considered to have moderate risk of default regarding timely servicing of financial obligations, in Mauritius.
CARE MAU B	Instruments with this rating are considered to have high risk of default regarding timely servicing of financial obligations, in Mauritius.
CARE MAU C	Instruments with this rating are considered to have very high risk of default regarding timely servicing of financial obligations, in Mauritius.
CARE MAU D	Instruments with this rating are in default or are expected to be in default soon.

Modifiers {"+" (plus) / "-"(minus)} can be used with the rating symbols for the categories CARE MAU AA to CARE MAU C. The modifiers reflect the comparative standing within the category. A suffix of '(SO)' may be added to the rating indicating that the instrument / facility is a "Structured Obligation". A prefix of 'Provisional' may be added to a 'SO' rating indicating that the rating is subject to completion of certain conditions.

Rating Outlook

The rating outlook can be 'Positive', 'Stable' or 'Negative'.

A 'Positive' outlook indicates an expected upgrade in the credit ratings in the medium term on account of expected positive impact on the credit risk profile of the entity in the medium term.

A 'Negative' outlook would indicate an expected downgrade in the credit ratings in the medium term on account of expected negative impact on the credit risk profile of the entity in the medium term.

A 'Stable' outlook would indicate expected stability (or retention) of the credit ratings in the medium term on account of stable credit risk profile of the entity in the medium term.

Rating Symbols

Short term Instruments

Symbols	Rating Definition
CARE MAU A1	Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations, in Mauritius. Such instruments carry lowest credit risk.
CARE MAU A2	Instruments with this rating are considered to have strong degree of safety regarding timely payment of financial obligations, in Mauritius. Such instruments carry low credit risk.
CARE MAU A3	Instruments with this rating are considered to have moderate degree of safety regarding timely payment of financial obligations, in Mauritius. Such instruments carry higher credit risk as compared to instruments rated in the two higher categories.
CARE MAU A4	Instruments with this rating are considered to have minimal degree of safety regarding timely payment of financial obligations, in Mauritius. Such instruments carry very high credit risk and are susceptible to default.
CARE MAU D	Instruments with this rating are in default or expected to be in default on maturity.

Modifiers {"+" (plus) / "-"(minus)} can be used with the rating symbols for the categories CARE MAU A1 to CARE MAU A4. The modifiers reflect the comparative standing within the category.

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