

SETTLEMENT AGREEMENT

ENTERED INTO JULY 31, 2013

BETWEEN:

1. **BANCO PRIVADO PORTUGUÊS CAYMAN LIMITED (IN OFFICIAL LIQUIDATION)**, a private limited company, with registered office at PwC Corporate Finance & Recovery (Cayman) Limited, P.O. Box 258, Strathvale House, Grand Cayman KY1-1104, Cayman Islands, registered number 97025, hereby duly represented by David Walker, in his role as Joint Official Liquidator (hereinafter "**BPP Cayman**");
2. **BANCO PRIVADO PORTUGUÊS, SA – EM LIQUIDAÇÃO**, a private limited company, with registered office at Rua Mouzinho da Silveira, n.º 12, Lisbon, registered number with the number 502244518 at the Commercial Registrar of Lisbon, hereby duly represented by Drs. Luis Máximo dos Santos e Manuel Mendes Paulo, in his/their role(s) as President and Member of the Liquidation Commission (hereinafter the "**BPP SA**");
3. **HF VAR 3 LIMITED**, a company incorporated under the laws of British Virgin Islands registered with the BVI Company Number 1027325, with its registered office at Citco Building, Wickhams Cay, P.O. Box 662, Road Town, Tortola, British Virgin Islands, hereby duly represented by Genmanco Corporation, in his/their quality as Director (hereinafter the "**VAR 3 Ltd**" or "**SIV**");

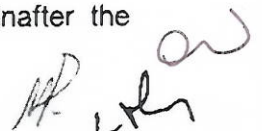
In this agreement BPP Cayman, BPP SA and the VAR 3 Ltd will be referred to jointly as the "Parties" and individually as a "Party".

WHEREAS:

- A) Under its services of portfolio management, BPP Cayman and BPP SA have made available to its clients an investment strategy, under the type of Relative Return, Indirect Investment, without guarantee, denominated VAR 3 (hereinafter the "**VAR 3**");
- B) VAR 3 was incorporated as an investment vehicle to support the above mentioned strategy, whereby clients financed the vehicle, by subscribing loan notes, a debt title conferring to the owner the right to demand, by request, a pro rata amount in cash equivalent to a given percentage of the net asset value of the portfolio of assets held by the SIV (hereinafter "**NAV**"). – according to the number of loan notes held, with regard to the number of loan notes issued by the SIV.
- C) VAR 3 currently has 89.089,391 loan notes issued, with the nominal value of € 100.00 each, of which 28.606,114 are held by clients whose portfolio management contracts were agreed

with BPP Cayman (the "**BPP Cayman Clients**") and 60.483,277 are held by clients whose portfolio management were agreed with BPP SA (the "**BPP SA Clients**") (BPP Cayman's clients and BPP SA's clients hereinafter referred to as the "**Clients**").

- D) On May 12, 2006 BPP Cayman and VAR 3 entered into a Portfolio Management Agreement (hereinafter "Portfolio Management Agreement"), which is annexed has Annex 1 of this Agreement and is considered fully reproduced to all legal aspects and under the terms of which:
- i. VAR 3 granted BPP Cayman full powers to manage and administer a portfolio of financial assets;
 - ii. VAR 3 opened a bank account at BPP Cayman, identified under the number 10662;
 - iii. The combination of funds and assets that, at any given time, are deposited or registered in this bank account, constitute the portfolio managed by BPP Cayman;
 - iv. VAR 3 has granted BPP Cayman the power to enter into loans or provide for the issuance of bonds or similar debt instruments, as well as to provide for its reimbursement or payment;
 - v. BPP Cayman may wholly or partially delegate the powers granted by VAR 3 under the Portfolio Management Agreement;
 - vi. BPP Cayman may debit or credit the bank account referred to in paragraph ii above. for the purposes of managing the asset portfolio and provide for the reimbursement of loans payment of commissions and other charges.
- E) In turn BPP Cayman opened a bank account at BPP SA, that was the sub-custodian of funds and security assets, which compose the portfolio assets of VAR 3.
- F) On April 15, 2010, The Bank of Portugal revoked BPP SA's banking license. Such revocation led to the liquidation of BPP, SA.
- G) On July 09, 2010 BPP Cayman was wound up.
- H) Considering that both BPP SA and BPP Cayman were put to liquidation, it is in the best interest of the loan note holders and the SIV that all efforts be made with regard to the liquidation of the investments made by VAR 3 and the subsequent reimbursement of the loan notes issued by the SIV.
- I) On this date BPP SA has under its control in an account segregated from its Insolvency Estate USD 264.691,24 and EUR 5.212.018,16, in a total amount of EUR 5.415.532,88 (considering the currency rate of USD/EUR of May 31, 2013, as a result of the receipt of reimbursements and income generated by the assets held by VAR 3 (hereinafter "**Segregated Cash**").
- J) BPP Cayman, in his role as manager of the assets portfolio of VAR 3, and the SIV wish to initiate the process of liquidation of the loan notes upon the partial reimbursement of the Segregated Cash which is part of the current asset portfolio of VAR 3 (hereinafter the



"Transaction").

- K) The Segregated Cash is also registered in the SIV bank account opened at BPP Cayman.
- L) Some of the investors who subscribed loan notes have requested financing in BPP SA or BPP Cayman and/or have given the respective loan notes as a collateral for financing raised by them or other third party in favour of BPP SA or BPP Cayman.
- M) The Parties understand that the Transaction will have to (i) ensure the equitable treatment of all the loan note holders, (ii) maintain the proportion of the rights of any of these over the SIV and its assets and (iii) Allocate SIV's assets exclusively to the payment of its debts and charges and full repayment of the loan notes issued.
- N) On May 14, 2013 the Grand court of Cayman – Financial Services Division has sanctioned this deal.

In consideration of the recitals above, the Parties agree as follows:

1. SCOPE

- 1.1 This agreement aims to define the procedures between the Parties to process the partial reimbursement of the loan notes issued by VAR 3, by the equivalent to 75% of the Segregated Cash amount.
- 1.2 In order to ensure the fulfilment of all the premises set out in recital M, the Transaction will be executed with respect to all Clients, including for those who might have opposed or may not have yet pronounced about it, as soon as all the conditions set out in the next paragraph are fulfilled.

2. CONDITION PRECEDENT

- 2.1 The partial reimbursement of the loan notes and distribution of the Segregated Cash to the Clients is subject to the approval or communication expressing the non-opposition by Clients representing, at least, 75% of the existing loan notes (condition precedent).
- 2.2 For verification purposes of the condition precedent mentioned above BPP Cayman and BPP SA shall send to their respective clients the communication whose template is attached as Annex II of this Agreement.
- 2.3 The condition precedent may only be met once more than 30 days have elapsed from transmittal of the communication referred to in the preceding paragraph to all Clients. In order to avoid doubts, the requirement of 75% is considered exceeded regardless of the percentage of Clients from BPP SA or BPP Cayman represented in the totality of the Clients that accepted the Transaction.
- 2.4 BPP SA and BPP Cayman shall communicate to each other, up until 17:00 hours of each Friday, the number of declarations of non-opposition received so far and the percentage of

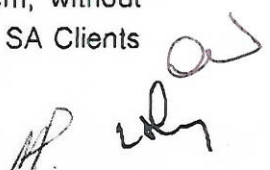
Handwritten signatures and initials:
AP. LDR ew

loan notes issued that such declarations represent.

- 2.5 As soon as the condition precedent has been verified, BPP Cayman shall inform the SIV and request that BPP SA initiates the proceedings regarding the distribution of the Segregated Cash in accordance with the principles and rules set out this Agreement.
- 2.6 Should the condition precedent not be verified after 2 months of the signing of this Agreement, such Agreement will expire, without prejudice to the Parties agreement on the extension of the deadline for verification of the condition precedents and the implementing of new measures or procedures to obtain and supplement the required authorisations.
- 2.7 Each Party undertakes to develop its best efforts, in order to perform, or allow to perform, all the required or convenient diligences, to practice all the acts, material or legal, to cooperate, among them its advisors, legal and/or financial, in order to obtain the maximum celerity in the verification of the conditions and to not practice or omit the practice of any acts that may block or disturb the fulfilment of their obligations in the terms of this Agreement.

3. PROCEDURES TO BE ADOPTED BY BPP SA

- 3.1 Without prejudice to clauses 4 and 5, and as soon as BPP Cayman has done the communication referred in the above clause 2.5, BPP SA, in its quality of custodian of the Segregated Cash, will execute the following acts:
 - a) Proceed with the currency exchange of the Segregated Cash of United States Dollars ("USD") to Euros ("EUR");
 - b) Credit the accounts of BPP SA's Clients by the amount according to the pro rata of the number of loan notes held on the 75% of Segregated Cash of each one, by debit in the Segregated Cash account of BPP Cayman in BPP SA. The final amount credited in the account of BPP SA Clients will be made after the withheld taxation or deductions are made according to each case;
 - c) Transfer to the account or accounts that BPP Cayman appoints the corresponding amount to the proportion of BPP Cayman Clients in accordance with the number of loan notes held by them on the 75% of cash to distribute, deducted from the amounts of clause 4.1 and 5.1. Until BPP Cayman indicates to BPP SA the account or accounts to which these amounts must be transferred, these will be kept in the Segregated Cash account of BPP Cayman held in BPP SA;
 - d) Transfer to the account that BPP Cayman indicates the corresponding amount to 25% of the Segregated Cash. Both the SIV and BPP, SA acknowledge that such amount shall be treated as a part of BPP CAYMAN's insolvent estate and, therefore, BPP CAYMAN shall assume full responsibility for the allocation and usage of it. Upon receipt of the 25% of the Segregated Monies, BPP CAYMAN accepts to waive any claims regarding the remaining 75%.
- 3.2 BPP Cayman and the SIV recognise and accept that BPP SA will authorise the Clients of BPP SA to move the amount of Segregated Cash to the accounts indicated by them, without prejudice of eventual restrictions associated with the existence of liabilities by BPP SA Clients



or burdens related to the setting up of guarantees impeding on the accounts or investments of those Clients.

4. GUARANTEE OF THE PLEDGE RIGHTS OF BPP SA

4.1 Considering that some BPP Cayman Clients, identified in Annex III of this Agreement, are guarantors of financing conceded by BPP SA, guarantee which comprehends the loan notes issued by the SIV and, accordingly, all that is provided for fulfilment of the loan notes, the amounts to be received by those Clients under the scope of clause 3.1, subparagraph c) above will be kept in the Segregated Cash account of BPP Cayman in BPP SA by the necessary amount to cover the liabilities that are guaranteed.

4.2 Whenever one of the financing guaranteed by the amounts with reference to the previous paragraph is reimbursed or subject to a settlement under which the discharge of the guarantee delivered, BPP SA is obliged to communicate this to BPP Cayman, with the amount under discussion becoming available to BPP Cayman for transference to the account that BPP Cayman indicates for this matter.

5. GUARANTEE OF STATE RIGHTS AS PLEDGE CREDITOR

5.1 Without prejudice to the JOLs view that the purported Portuguese Republic's pledge is not valid, BPP CAYMAN undertakes to abide to the following procedures.

5.2 Considering that some BPP Cayman Clients have contracted financing which has been purportedly pledged to the Portuguese State up to the amounts identified in Annex III of this Agreement, the amounts that may be received by such clients pursuant to clause 3.1, subparagraph c) II remain in the Segregated Cash account of BPP Cayman in BPP SA up until the amount given in pledge.

5.3 If the amount given to the State as counter-guarantee is lower than the total amount to receive, BPP SA will make available to BPP Cayman the remaining amount under the terms of the stipulated under the above clause 3.1, subparagraph c).

6. OBLIGATIONS OF BPP CAYMAN

6.1 As soon as BPP Cayman performs the communication referred to in clause 2.5, BPP Cayman undertakes to:

a) Proceed to the debit of the SIV account indicated in Recital D.ii with an amount equivalent to 75% of the Segregated Cash.

b) Submit to BPP SA the instruction identified in clause 3.1, subparagraph c), as to the 75% of Segregated Cash to be distributed to its Clients, observing the limitations indicated in



clauses 4.1 and 5.2.

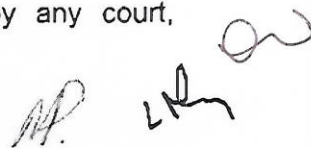
- c) Submit to BPP SA the instruction identified in clause 3.1, subparagraph d), as to the remaining 25% of Segregated Cash.

7. EFFECTS ON THE LOAN NOTES

- 7.1 Upon execution of the transfers foreseen in clause 3.1, subparagraphs b) and c), each of the loan notes will be considered for all purposes partially reimbursed by the pro rata proportion of that loan note on the 75% of Segregated Cash, bearing the SIV's NAV a corresponding decrease, in the sequence of the debit in the account as set out in the subparagraph (a) of clause 6.
- 7.2 The distribution of the Segregated Cash will not have as a consequence the cancelling of the loan notes, that will maintain register in the portfolio of each Client up until all the other assets of the SIV are liquidated and full reimbursement of the remaining other assets is made.

8. REPRESENTATIONS AND WARRANTIES

- 8.1 The Parties hereby declare and warrant to each other that the following facts and declarations are exact and precise:
 - a) Each of the Parties is a valid incorporated entity in accordance with their respective laws;
 - b) The celebration and execution of its obligations in the terms of this Agreement was duly approved by the competent bodies of each of the Parties and, as a consequence, each of the Parties has the necessary capacity and legitimacy to celebrate and execute the obligations of this Agreement;
 - c) The obligations arising out of this Agreement for each of the Parties are valid, binding and enforceable on them.;
 - d) The execution of the obligations of each of the Parties under the terms of this Agreement does not:
 - i) Infringe or contradicts any constitutive or corporate document of any of the Parties;
 - ii) Infringe or contradicts any instrument celebrated by any of the Parties or to which they are subject to and that is materially relevant under the context of the Transaction;
 - iii) Infringe of contradicts any order, decision or sentence issued by any court,



regulatory body and/or governmental body applicable to any of the Parties or which any of the Parties is subject to and which has relevance in the context of the Transaction.

- e) The Parties to this Agreement are relying solely on their own enquiries/information in entering into this Agreement and, therefore, not acting in reliance upon any representation and/or warranty made to them by BPP Cayman or the JOLs, nor BPP S.A and its Liquidation Officials, in respect of the Segregated Cash.

9. CONFIDENTIALITY

9.1 The Parties are obliged to maintain under absolute confidentiality all the Confidential Information, except:

- a) If the revelation is imposed by law, regulation, administrative act or court or arbitral decision of an entity or competent court;
- b) If the revelation is performed in the sequence of a previous and written authorisation of other Party for the effect;
- c) If the revelation is necessary, and in the strict extent in which it is, for the execution of this Agreement and fulfilment of the obligations and conditions here stated;
- d) If the revelation is necessary, and in the strict extent in which it is, to the defense of the revealing Party in case of litigation or with the competent authority to settle it.

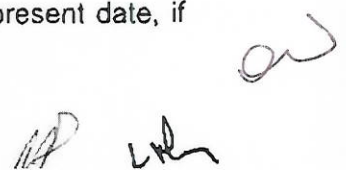
9.2 To the effect of the present clause, it is considered Confidential Information all and any information, verbal, written or in any other support, related to any data, elements or documents which have been made available in the scope of the negotiation, celebration or execution of this Agreement and which were not already of the public or any other Party's knowledge.

10. MODIFICATIONS

This Agreement can only be subject to changes or modifications in a written document signed by the legal representatives of all of the Parties.

11. GLOBAL AGREEMENT

This Agreement expresses the completeness of the consensus reached between the Parties, revoking any verbal or written agreement, expressed or tacit, previous to the present date, if



related to, even if only partially, to the object of this Agreement.

12. NULLITY OR INEFFECTIVENESS AND FILLING OF GAPS

The nullity, ineffectiveness or unenforceability of any of the arrangements of this Agreement towards any jurisdiction, or the existence of gaps will not affect the subsistence of the Agreement in the unflawed part. In replacement of the flawed part and the filling of gaps will prevail the regulation which, to the extent of the legally possible, is in accordance with the will of the Parties or the will that they would have had, regarding the purpose, meaning and economic balance of the present Agreement, should the omitted paragraph had been included.

13. COMMUNICATIONS

13.1 Any notifications and communications to be made under the terms of this Agreement shall be in writing and send by priority mail with postage prepaid or by fax, to the addresses of the Parties here indicated or to any other address that any of the Parties come to, in writing, indicate to the other. The lack of communication or notification of modification of the address by any of the Parties will implicate that the communications and notifications will keep to be validly realised to the previously known address of the Parties.

13.2 The communications and notifications made by registered mail and/or fax will be accepted as realised, in case of registered mail, on the third workday following the register or on the seventh workday following the register, whether is a domestic or international postage, and for the fax, in the moment of its reception in the addressee place, if it occurs until the 16:00 hours of a workday on the reception place or, if it is not the case, on the following workday to the transmission.

13.3 The communications and notifications to be performed between the Parties under the terms of the present Agreement must be redacted in English, or in English and Portuguese, in which case the English version will prevail should there be discrepancies.

13.4 For the purposes of this clause the contacts of the Parties are the following:

(a) BPP Cayman:

Care of: David Walker, Joint Official Liquidator

Address: PwC Corporate Finance & Recovery (Cayman) Limited., Strathvale House, PO Box 258, Grand Cayman, Cayman islands, KY1 1104

Fax: (+1 345) 945 4237

(b) BPP SA

Care of: Liquidation Committee

Address: Rua Mouzinho da Silveira, nº 12, 1250-167 Lisboa, Portugal

Fax: (+351) 21 313 70 91

(c) VAR 3 Ltd.

Care of: Leila Szwarc

Address: Citco (Suisse) SA, Route de St. Cergue 9, 1260 Nyon, Switzerland

Fax: (+41) 58 268 0601

14. COSTS

Each of the Parties will bear its own costs with the negotiation and celebration of this Agreement and with the fulfillment of their obligations.

15. ANNEXES

The annexes of this Agreement are part of it to all legal and contractual effects, having the effectiveness as if were written in the body of the Agreement and any reference to this Agreement includes the referred annexes.

16. TEMPORAL REFERENCES

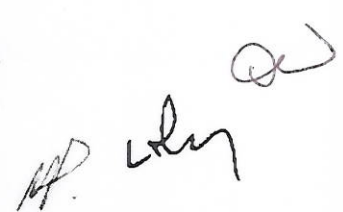
The references to days and hours of this Agreement must be considered made with reference to Continental Portugal (GMT). The references to workdays in this Agreement must be read as reference to the days on which banks are open to business in Lisbon.

17. VALIDITY, APPLICABLE LAW AND JURISDICTION

17.1 This Agreement is effective since the date of its signing and will terminate:

- (i) If the condition indicated in clause 2 does not verify, on the date indicated on the number 2.6 of that clause;
- (ii) If the condition indicated in clause 2 does verify, on the date that all obligations emerging from the present Settlement have been fulfilled.

17.2 The confidentiality obligation will prevail after the termination of the Settlement.

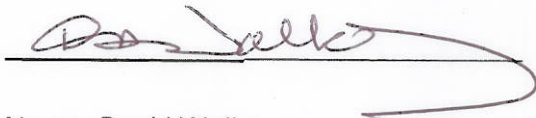


17.3 The present Settlement is governed by Portuguese law.

17.4 All disputes arising out of or in connection to this Agreement, that can not be settled amicably, shall be settled by the Courts of Lisbon.

This Agreement was made in Lisbon, on the 31st of July, 2013, in 6 (six) specimen, three in Portuguese and three in English, one destined to each of the Parties. In case of discrepancies between the Portuguese version and the English version, the English version must prevail.

By Banco Privado Português (Cayman) Limited



Name: David Walker

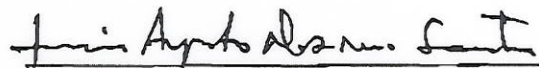
Title: Joint Official Liquidator

By Banco Privado Português, SA – Em Liquidação



Name: Manuel Mendes Paulo

Title: Member



Name: Luis Máximo dos Santos

Title: President

By HF VAR 3 Limited



Name: Genmanco Corporation

Title: Director