

HOULIHAN LOKEY

STATEMENT REGARDING INVESTOR COMPENSATION

Customer Information Pursuant to § 23a of the German Banking Act (KWG) Regarding Membership of a Protection Scheme

As a 'securities institution' Houlihan Lokey (Europe) GmbH, with address at Omniturm, Große Gallusstraße 18, 60311 Frankfurt am Main, Germany ("**Houlihan Lokey**"), is a member of the Compensatory Fund of Securities Trading Companies (*Entschädigungseinrichtung der Wertpapierhandelsunternehmen - EdW*), 10865 Berlin, an unincorporated special fund of the German Federal Government established at the Kreditanstalt für Wiederaufbau.

Whilst we are not authorised to hold client money or assets, should we, Houlihan Lokey, nevertheless accept funds or securities in the provision of financial services contrary to statutory provisions and then no longer be in a position to return such funds or securities to investors or clients ("**Creditors**"), the funds or securities shall be secured in accordance with the Investor Compensation Act (*Anlegerentschädigungsgesetz*), and the following shall apply:

- (i) any Creditor's claim for compensation (a "**Claim**") shall be based on the amount and scope of the liabilities owed to them from securities transactions. Existing rights of set-off or retention of Houlihan Lokey shall be taken into account in relation to the amount of the Claim;
- (ii) any Claim shall only exist if the relevant funds or securities involved are denominated in the currency of an EU Member State or in Euro;
- (iii) where the Claim relates to securities then any assessment as to the amount compensation payable will be based on the value of such securities by reference to their trading at the time of the occurrence of the event giving rise to the Claim; in any event, in all cases involving funds or securities the amount recoverable is limited to 90% of the value of the relevant Claim, up to a maximum of Euro 20,000 or its equivalent value in another EU Member State currency (the "**Upper Limit**"); this Upper Limit refers to the total Claim;
- (iv) the following shall be considered in determining the amount of any Claim:
 - a) in calculating the amount of the Claim, the amount of any funds and the market value of any securities at the time of the occurrence of the compensation event shall be used as a basis for such Claim. The Claim shall also include accrued interest on such Claim until its satisfaction subject always to the Upper Limit as provided above. Any Claim shall be reduced to the extent that the loss of funds or securities which is the subject of the Claim is compensated by payments from third parties to the relevant Creditor;
 - b) the Upper Limit prescribes the aggregate amount which may be claimed by any Creditor, irrespective of the number of accounts, the currency and the place where the funds are deposited or the Securities are held in custody. The compensation can be paid in Euro;
 - c) in the case of joint accounts held by any Creditors, the respective share of each individual account holder shall be decisive in determining the Upper Limit for such Creditor. In the absence of specific provisions, any funds or securities held in a joint account shall be attributed equally to the named joint account holders; and

- d) if a Creditor is acting for the account of a third party, the relevant Upper Limit shall be by reference to the Claim of such third party.

Please note that compensation under the Investor Compensation Act does not cover claims for damages due to negligent advice, failure to provide information, provision of incorrect or false information, default in the execution of any transaction contrary to instructions and other breaches of contract.

Customer Information Pursuant to § 23a KWG on the Claims of Creditors Not Secured by the Protection Scheme

The Compensatory Fund of Securities Trading Companies (*Entschädigungseinrichtung der Wertpapierhandelsunternehmen - EdW*), 10865 Berlin, does not provide protection as to repayment of, without limitation, the following:

- (i) if and insofar as the funds are deposits within the meaning of § 2 para. 3 sentence 3 of the German Deposit Protection Act (*Einlagensicherungsgesetz*);
- (ii) if and insofar as the repayable funds or securities are not denominated in the currency of an EU member state or in EURO; this applies, for example, to repayable funds or securities in US dollars, British pounds or Swiss francs;
- (iii) if the funds or securities are due to Creditors who, *inter alia*, have caused or contributed to financial difficulties of Houlihan Lokey or contributed significantly to the deterioration of its financial position; such circumstances include, for example, high interest or other financial benefits due to agreements negotiated individually by the Creditors; and
- (iv) in any other case, insofar as the Claim exceeds the relevant Upper Limit.