

Arachide FCP

FONDS DE TITRISATION

MANAGEMENT REGULATIONS

8 July 2019

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1. DEFINITIONS

In these Management Regulations, the following terms will have the following meanings:

Article means an article of these Management Regulations.

Auditor means PricewaterhouseCoopers *Société Coopérative*, in its capacity as auditor of the Fund, or such other entity as may be appointed as auditor of the Fund under these Management Regulations.

Business Day means, unless otherwise defined in respect of a specific Compartment in the relevant Specific Management Regulations or in respect of Certificates in the relevant Prospectus, if any, a day on which banks are generally open for business in Luxembourg during the whole day (excluding Saturdays and Sundays and public holidays).

Cause means the occurrence of any event described under Article 13.

Certificates means any debt security issued under a particular Compartment of the Fund in accordance with article 11 (*Certificates*) below.

Certificateholder means a holder of Certificates issued under a particular Compartment of the Fund.

Compartment and **Compartments** have the meaning given to such terms in Article 2.

CSSF means the *Commission de Surveillance du Secteur Financier*, the Luxembourg supervisory authority of the financial sector.

EU Member State means a member State of the European Union.

EUR or **€** means the Euro, the single currency of any EU Member State that adopts or has adopted and, in each case, continues to adopt the Euro as its lawful currency in accordance with the legislation of the EU.

Fiscal Year means the twelve (12) month period ending on 31 December of each year, except for the first fiscal year which started on the date of establishment of the Fund and will end on 31 December 2019.

Fund means Arachide FCP, a Securitisation Fund established pursuant to these Management Regulations, as amended from time to time. For the purposes of these Management Regulations, any reference to actions taken by the Fund will be construed as referring to an action taken by the Management Company in its own name but on account of the Fund or a relevant Compartment, as the context requires.

Initial Subscription Period or **Initial Subscription Date** means, with respect to each Compartment, the first offering of Units made pursuant to the terms of the Specific Management Regulations in that Compartment.

Initial Subscription Price means the price at which Units are issued during the Initial Subscription Period or on the Initial Subscription Date, as determined for each Compartment in the Specific Management Regulations.

Luxembourg means the Grand Duchy of Luxembourg.

Luxembourg Law means the applicable laws of Luxembourg.

Luxembourg Official Gazette means the *Recueil électronique des sociétés et associations (RESA)*.

Management Company means Isec S.A., a Luxembourg private limited liability company (*société anonyme*) having its registered office at 7, Grand-Rue, L-6630 Wasserbillig, registered with the Luxembourg trade and companies register (*RCS Luxembourg*) under number B220820 and being incorporated for an unlimited duration and, where the context so permits, any of its permitted delegates, or such other successor management company that may be appointed under these Management Regulations.

Management Company Fee means the fee to which the Management Company is entitled out of the assets of the Fund as set out in respect of each Compartment in the Specific Management Regulations, the terms and conditions of the Certificates or any related agreement or document.

Management Regulations means these management regulations governing the Fund, as amended from time to time.

Money Market Instruments means instruments normally dealt in on a money market which are liquid and have a value which can be accurately determined at any time.

NAV Calculation Day means the Business Day on which the Net Asset Value is calculated in respect of a specific Valuation Day. Unless otherwise provided for in respect of a specific Compartment in the relevant Specific Management Regulations and provided that the subscription or redemption request is received on the Valuation Day before the applicable subscription or redemption deadline, the NAV Calculation Day will be the first Business Day following the relevant Valuation Day.

Net Asset Value or NAV means the net asset value of the Fund, each Compartment and each Unit as determined in accordance with Article 7.

New Management Company means the appointed management company replacing the Management Company in accordance with Article 13.

Performance Fee means the fee to which the Management Company or another entity may be entitled out of the assets of a relevant Compartment as set out in the Specific Management Regulations, the terms and conditions of the Certificates or any related agreement or document.

Prospectus means any prospectus or issue document prepared in connection with the offer of Certificates under a particular Compartment of the Fund, as may be amended or supplemented from time to time.

Reference Currency means (i) in relation to the Fund, EUR and (ii) in relation to each Compartment, the currency in which the Net Asset Value of such Compartment is calculated, as stipulated in the Specific Management Regulation;

Regulated Market means a regulated market as defined in the European Parliament and Council Directive 2014/65/EU dated 15 May 2014 on markets in financial instruments or any other market established in the European Economic Area which is regulated, operates regularly and is recognised and open to the public.

Securitisation Act 2004 means the Luxembourg Act dated 22 March 2004 on securitisation, as amended.

Securitisation Fund means *a fonds de titrisation*, an unincorporated contractual co-ownership scheme subject to the Securitisation Act 2004.

Specific Management Regulations means separate management regulations prepared in connection with the creation of a Compartment and including the characteristics and the rules applicable to such Compartment.

Transferable Securities means:

- shares and other securities equivalent to shares;
- bonds and other debt instruments;
- any other negotiable securities which carry the right to acquire any such transferable securities by subscription or to exchanges.

Unitholder means any registered holder of Units.

Units means all units issued under a particular Compartment of the Fund and Unit means any of them.

Valuation Day means (unless otherwise defined in respect of a specific Compartment in the relevant Specific Management Regulations) a Business Day on which subscriptions for and redemptions of Units can be made on the basis of the Net Asset Value that will be calculated on the relevant NAV Calculation Day, based upon the price as of the relevant Valuation Day.

2. THE FUND

- 2.1 The Fund is a Luxembourg Securitisation Fund (*fonds de titrisation*) within the meaning of the Securitisation Act 2004 and established pursuant to these Management Regulations, which shall govern the relations between the Management Company, the Unitholders and the Certificateholders.
- 2.2 The Fund was created on the date hereof for an unlimited duration as a co-ownership (*copropriété*) and shall not have legal personality.
- 2.3 The Management Company may create one or several Compartments within the Fund, having the Reference Currency set out in the Specific Management Regulations. The assets of the Fund as well as the assets of any of its Compartments are segregated from those of the Management Company.
- 2.4 The Management Regulations and any future amendments thereto shall be deposited with the *Registre de Commerce et des Sociétés* of Luxembourg in accordance with the Luxembourg Act dated 10 August 1915 on commercial companies, as amended.
- 2.5 The Fund is not a regulated Securitisation Fund authorised by the CSSF. As a consequence, neither the Fund nor any of its Compartments shall issue units or securities to the public on a continuous basis.

3. THE COMPARTMENTS

- 3.1 The Management Company is entitled to create one or more Compartments, in each case, forming a separate co-ownership within the Fund. Each Compartment will be subject to Specific Management Regulations which shall include the rules and characteristics applicable to such Compartment.
- 3.2 Each Compartment and thus the relationship between the Unitholders of such Compartment, the Certificateholders of such Compartment and the Management Company shall be governed by the terms of these Management Regulations and the relevant Specific Management Regulations. In the event of any conflict between the terms of these Management Regulations and the relevant Specific Management Regulations, the relevant Specific Management Regulations shall prevail.

- 3.3 As between Unitholders, Certificateholders (if any) and third party creditors, each Compartment shall be treated as a separate entity. The assets allocated to a compartment are exclusively available to (1) the Unitholders and the Certificateholders (if any), (2) the creditors whose claims have arisen in connection with the creation, operation or liquidation of that Compartment and who are provided for in the priority of payments provisions of the relevant Prospectus, if any, and/or the relevant documentation entered into by such Compartment (the **Transaction Creditors**), (3) the creditors whose claims have arisen in connection with the creation, operation or liquidation of that Compartment and who are not provided for in the priority of payments provisions of the relevant Prospectus, if any, and/or the relevant documentation entered into by such Compartment (the **Compartment-Specific Claims Creditors** and, together with the Transaction Creditors, the **Creditors**) and (4), subject to Article 3.4, the creditors whose claims have not arisen in connection with the creation, operation or liquidation of a compartment and who have not waived their recourse to the assets of any Compartment of the Fund (the **Non Compartment-Specific Claims Creditors**).
- 3.4 The rights of the Non Compartment-Specific Claims Creditors shall be allocated by the Management Company, on a half year basis in arrears, to all the Compartments, on an equal basis and *pro rata temporis* for Compartments created within such half year, where the relevant documentation entered into by such Compartment expressly authorises Non Compartment-Specific Claims Creditors to have recourse against the assets allocated to such Compartments. Such right of a Non Compartment-Specific Claims Creditor against a Compartment are hereinafter referred to as the **Pro Rata Rights**.
- 3.5 Once all the assets allocated to a Compartment have been realised, the Unitholders and the Certificateholders which are invested in, and the Creditors whose claims have arisen in connection with, the relevant Compartment will not be entitled to take any further steps against the Compartment, the Fund and the Management Company to recover any further sums due and the right to receive any such sum shall be extinguished. Once all the assets allocated to a Compartment in respect of which a Non Compartment-Specific Claims Creditor has Pro Rata Rights, have been realised, such Non Compartment-Specific Claims Creditor will not be entitled to take any further steps against any other Compartment of the Fund to recover such Pro Rata Rights and the right to receive any sum in respect of the Pro Rata Rights shall be extinguished.
- 3.6 The Compartment-Specific Claims Creditors and the Non Compartment-Specific Claims Creditors will expressly accept, and will be deemed to have accepted by entering into contractual obligations with the Fund or with a specific Compartment, that priority of payment and waterfall provisions may be included in the relevant documentation published by or entered into by the Fund in respect of the Compartment and they will expressly accept, and will be deemed to have accepted the consequences of such priority of payments and waterfall provisions.
- 3.7 Each Compartment may be separately liquidated without such liquidation resulting in the liquidation of another Compartment or of the Fund itself.
- 3.8 Each Compartment may issue securities in the form of Units or in the form of the Certificates in accordance with the provisions of the Securitisation Act 2004.

4. THE MANAGEMENT COMPANY

- 4.1 The corporate purpose of the Management Company is to manage Securitisation Funds and, as the case may be, to act as fiduciary of funds consisting of one or more fiduciary estates.
- 4.2 The Management Company is vested with the broadest powers to administer and manage the assets and, as the case may be, the liabilities of the Fund and of each Compartment, subject to the restrictions set forth in these Management Regulations and any Specific Management Regulations. The

Management Company will operate the Fund within the terms and comply at all times with its obligations contained in these Management Regulations, any Specific Management Regulations, any Prospectus, and any other applicable laws and regulations.

- 4.3 The Management Company will act in its own name, but will indicate that it is acting for the Fund (or in respect of the relevant Compartment).
- 4.4 The Management Company will manage the various Compartments of the Fund and the assets therein in the exclusive interest of the relevant Unitholders and the relevant Certificateholders (if any).
- 4.5 In consideration for all services provided by the Management Company, the Management Company is entitled to the Management Company Fee.
- 4.6 The Management Company may further be entitled to a Performance Fee.
- 4.7 The duties of the Management Company in respect of the Fund will cease:
 - (a) in the case of replacement of the Management Company in accordance with Article 13;
 - (b) where the Management Company has been declared bankrupt, has entered into a composition with creditors, has obtained a suspension of payment, has been put under court controlled management, or has been the subject of similar proceedings or has been put into liquidation; and
 - (c) in all other cases provided for in these Management Regulations.

5. PURPOSE

- 5.1 The exclusive purpose of the Fund is to enter into, perform and serve as an investment vehicle for, any securitisation transactions as permitted under the Securitisation Act 2004.
- 5.2 The Fund may acquire or assume, directly or through another entity or vehicle, the risks relating to the holding or ownership of claims, receivables and/or other goods, either movable or immovable, tangible or intangible, and/or risks relating to liabilities or commitments of third parties or which are inherent to all or part of the activities undertaken by third parties, by issuing securities (*valeurs mobilières*) of any kind whose value or return is linked to these risks or, to the extent permitted by the Securitisation Act 2004, all other types of financial instruments whose value or return is linked to these risks. The Fund may assume or acquire these risks by acquiring, by any means, claims, structured deposits, receivables and/or other goods and assets (including movable or immovable and tangible or intangible assets), structured products relating to commodities or assets, by guaranteeing the liabilities or commitments of third parties or by binding itself in any other way.
- 5.3 The Fund may, within the limits of the Securitisation Act 2004, proceed, so far as they relate to securitisation transactions, to (i) the acquisition, holding and disposal, in any form, by any means, whether directly or indirectly, of participations, rights and interests in, and obligations of, Luxembourg and foreign companies, (ii) the acquisition by purchase, subscription, or in any other manner, as well as the transfer by sale, exchange or in any other manner of stock, bonds, debentures, notes, certificates and other securities or financial instruments of any kind (including notes, certificates or parts or units issued by Luxembourg or foreign mutual funds or similar undertakings and exchangeable or convertible securities), structured products relating to commodities or assets (including debt or equity securities of any kind), receivables, claims or loans or other credit facilities (and the agreements relating thereto) as well as all other types of assets (including any movable or immovable and tangible or intangible assets), and (iii) the ownership, administration, development and management of a

portfolio of assets (including, among other things, the assets referred to in (i) and (ii) above) in accordance with the provisions of the relevant documentation.

- 5.4 The Fund may, within the limits of the Securitisation Act 2004 and for as long as it is necessary to facilitate the performance of its purpose, borrow in any form and enter into any type of loan agreement. It may issue Units and Certificates under one or more issue programmes in accordance with Article 11. The Fund may lend funds including the proceeds of any borrowings and/or issues of securities, within the limits of the Securitisation Act 2004 and provided such lending or such borrowing relates to securitisation transactions.
- 5.5 The Fund may, within the limits of the Securitisation Act 2004, give guarantees and grant security over its assets.
- 5.6 The Fund may enter into, execute and deliver and perform any swaps, futures, forwards, derivatives, options, repurchase, stock lending and similar transactions for as long as such agreements and transactions are necessary to facilitate the performance of the Fund's purpose. The Fund may generally employ any techniques and instruments relating to investments for the purpose of their efficient management, including, but not limited to, techniques and instruments designed to protect it against credit, currency exchange, interest rate risks and other risks.
- 5.7 The Fund may, within the limits of the Securitisation Act 2004 and in accordance with the provisions of the relevant documentation entered into by the Fund or by a specific Compartment, assign or arrange for the assignment of the underlying assets and risks which guarantee the rights of the relevant investors.

6. UNITS

General

- 6.1 Investors in the Fund will subscribe for fully paid-up Units in a Compartment that will give them as Unitholders a co-ownership participation in the relevant Compartment's assets, subject to the specific rights and obligations of the Units issued. The aggregate liability of a Unitholder will in no event exceed the aggregate of the NAV per Unit held by that Unitholder from time to time.
- 6.2 The Specific Management Regulations will set forth all material terms and characteristics governing the Units issued by the Fund under a specific Compartment including, without limitation, priority in which Units will be issued, any minimum holding amounts, any minimum subscription amounts and any minimum subsequent subscription amounts, as the case may be, details of funding and redemption rights.

Classes of Units

- 6.3 The Management Company may issue Units of different classes in respect of a Compartment. The Management Company may create additional Compartments and additional classes from time to time which provide Unitholders with rights and obligations different from those which apply to Unitholders in any Compartment previously established by the Management Company.
- 6.4 Some Compartments may not be available to all investors, the Management Company reserving the right to offer only one or more classes for subscription to a certain group of potential investors, for instance investors in any particular jurisdiction in order to conform to local law, customs or business practice or for fiscal or any other reason.

Form of the Units

- 6.5 Units will be issued in registered form only. The entry into the register of the Unitholders is conclusive evidence of ownership. Certificates representing Units will be issued only upon request and at the Management Company's discretion.
- 6.6 The register of the Unitholders will be kept by the Management Company. The register will contain the name of each owner of registered Units, his/her/its residence or elected domicile as indicated to the Fund and the number of Units held by it and the any declaration of transfer of Units and the dates of such transfers.
- 6.7 Subject to the provisions of Article 6.13, the transfer of Units may be effected by a written declaration of transfer entered in the register of the Unitholders of the Fund, such declaration of transfer to be executed by the transferor and the transferee or by persons holding suitable powers of attorney or in accordance with the provisions applying to the transfer of claims provided for in article 1690 of the Luxembourg civil code. The Fund may also accept as evidence of transfer other instruments of transfer evidencing the consent of the transferor and the transferee satisfactory to the Management Company. The transferor will be deemed to remain the holder of the Unit until the name of the transferee is entered on the Unit register in respect thereof.
- 6.8 Each Unit is indivisible with respect of the rights conferred to it. In their dealings with the Management Company, the co-owners or disputants of Units, as well as the bare owners and the usufructuaries of Units, may either choose (i) that each of them may individually give instructions in relation to their Units provided that no orders will be processed on any Valuation Day when contradictory instructions are given or (ii) that each of them must jointly give all instructions in relation to the Units provided however that no orders will be processed unless all co-owners, disputants, bare owners and usufructuaries have confirmed the order (all owners must sign instructions).
- 6.9 The Management Company will be responsible for ensuring that the exercise of rights attached to the Units is suspended when contradictory individual instructions are given or when all co-owners have not signed instructions. Neither the Unitholders nor their heirs or successors may request the liquidation or the sharing-out of the Fund or of any Compartment and shall have no rights with respect to the representation and management of the Fund and its Compartments, and their death, incapacity, failure or insolvency shall have no effect on the existence of the Fund and its Compartments. Except as expressly provided by the Specific Management Regulations, if any, or in the issuing documentation for the concerned Units, no general meetings of Unitholders shall be held and no voting rights shall be attached to the Units.

Issue of Units

- 6.10 The Management Company is authorised, without limitation, to issue an unlimited number of fully paid up Units at any time without reserving a preferential right to subscribe for the Units to be issued for the existing Unitholders.
- 6.11 During the Initial Subscription Period or on the Initial Subscription Date, the Management Company is offering the Units under the terms and conditions as set forth in the relevant Specific Management Regulations.

Redemption of Units

- 6.12 The Units may be redeemed in accordance with the conditions included in the relevant Specific Management Regulations and within the limits provided by law and these Management Regulations.

Restrictions on Transfer

- 6.13 The Management Company may decline to register any transfer of Unit if, in the opinion of the Management Company, the transfer will be unlawful or will result or be likely to result in any adverse regulatory, tax or fiscal consequences to the Fund or its Unitholders.

7. CALCULATION OF NET ASSET VALUE

- 7.1 The Fund and each Compartment have a Net Asset Value determined in accordance with these Management Regulations or, with the relevant Specific Management Regulations, to the extent applicable. The Reference Currency of the Fund is the EUR. The Net Asset Value of each Compartment will be calculated in the Reference Currency of the Compartment, as it is stipulated in the relevant Specific Management Regulations. The Net Asset Value of the Fund will be determined by the Management Company for each Valuation Day on each NAV Calculation Day, by calculating the aggregate of :

- (a) the value of all assets of the Fund or of a particular Compartment; less
 - (b) all the liabilities of the Fund or of a particular Compartment including the Certificates but excluding the Units, and all fees attributable to the Fund or a particular Compartment, which fees have accrued but are unpaid on the relevant Valuation Day.
- 7.2 Such liabilities may include all taxes payable by the Fund or a particular Compartment; all accrued interest on loans of a particular Compartment (including accrued fees for commitment for such loans) and all accrued interest on Certificates issued by a particular Compartment; all costs, fees, duties and taxes incurred with a listing, rating, admission of trading of securities issued by a particular Compartment; all costs and fees incurred with the publication of notices and the organisation of meetings of Certificateholders of a particular Compartment; all costs, fees, taxes and duties incurred in connection with the amendment of the terms and conditions of, or the redemptions of, Certificates issued under a particular Compartment; all accrued or payable expenses (including, without limitation, administrative expenses, management fees, including incentive fees, if any); all costs, fees, taxes and duties payable by the Fund either directly or to its agents to ensure that the Fund is complying with its legal and regulatory obligations; all known liabilities, present and future, including all matured contractual obligations for payments of money or property, including the amount of any unpaid distributions declared by a particular Compartment; an appropriate provision for future taxes based on capital and income as of the Valuation Day, as determined from time to time by the Management Company for a particular Compartment, and other reserves (if any) authorised and approved by the Management Company, as well as such amount (if any) as the Management Company may consider to be an appropriate allowance in respect of any contingent liabilities of the relevant Compartment; all other liabilities of a particular Compartment of whatsoever kind and nature reflected in accordance with generally accepted accounting principles. In determining the amount of such liabilities, the relevant Compartment shall take into account all charges and expenses payable by the relevant Compartment. The relevant Compartment may accrue administrative and other expenses of a regular or recurring nature based on an estimated amount rateably for yearly or other periods.

Valuation of the Assets of each Compartment

- 7.3 The Net Asset Value per Unit for a Valuation Day will be calculated in the Reference Currency of the relevant Compartment and will be calculated by the Management Company on each NAV Calculation Day of the relevant Compartment by dividing the Net Asset Value of the relevant Compartment by the number of Units which are in issue on such Valuation Day in the relevant Compartment (including Units in relation to which a Unitholder has requested redemption on such Valuation Day in relation to such NAV Calculation Day).

7.4 The Net Asset Value per Unit may be rounded up or down to the nearest whole hundredth unit of the Reference Currency.

7.5 The assets of the Compartments will be valued as follows:

- (a) Transferable Securities or Money Market Instruments quoted or traded on an official stock exchange or any other Regulated Market, are valued on the basis of the last known price, and, if the Transferable Securities or Money Market instruments are listed on several stock exchanges or Regulated Markets, the last known price of the stock exchange which is the principal market for the security or Money Market Instrument in question, unless these prices are not representative.
- (b) For Transferable Securities or Money Market Instruments not quoted or traded on an official stock exchange or any other Regulated Market, and for quoted Transferable Securities or Money Market Instruments, but for which the last known price is not representative, valuation is based on the probable sales price estimated prudently and in good faith by the Management Company.
- (c) Units and shares issued by undertakings for collective investment will be valued at their last available net asset value.
- (d) The liquidating value of futures, forward or options contracts that are not traded on exchanges or on other Regulated Markets will be determined pursuant to the policies established in good faith by the Management Company, on a basis consistently applied. The liquidating value of futures, forward or options contracts traded on exchanges or on other Regulated Markets will be based upon the last available settlement prices of these contracts on exchanges and Regulated Markets on which the particular futures, forward or options contracts are traded; provided that if a futures, forward or options contract could not be liquidated on such Business Day with respect to which a Net Asset Value is being determined, then the basis for determining the liquidating value of such contract will be such value as the Management Company may, in good faith and pursuant to verifiable valuation procedures, deem fair and reasonable.
- (e) Liquid assets and Money Market Instruments with a maturity of less than 12 months may be valued at nominal value plus any accrued interest or using an amortised cost method (it being understood that the method which is more likely to represent the fair market value will be retained). This amortised cost method may result in periods during which the value deviates from the price the Fund would receive if it sold the investment. The Management Company may, from time to time, assess this method of valuation and recommend changes, where necessary, to ensure that such assets will be valued at their fair value as determined in good faith pursuant to procedures established by the Management Company. If the Management Company believes that a deviation from the amortised cost per Unit may result in material dilution or other unfair results to Unitholders, the Management Company will take such corrective action, if any, as it deems appropriate, to eliminate or reduce, to the extent reasonably practicable, the dilution or unfair results.
- (f) The swap transactions will be consistently valued based on a calculation of the net present value of their expected cash flows.
- (g) Accrued interest on securities will be included if it is not reflected in the Unit price.
- (h) Cash will be valued at nominal value, plus accrued interest.

- (i) All assets denominated in a currency other than the Reference Currency of the respective Compartment will be converted at the mid-market conversion rate between the Reference Currency and the currency of denomination.
- (j) All other securities and other permissible assets as well as any of the above mentioned assets for which the valuation in accordance with the above sub-paragraphs would not be possible or practicable, or would not be representative of their probable realisation value, will be valued at probable realisation value, as determined with care and in good faith pursuant to procedures established by the Management Company.

7.6 If on any Valuation Day the aggregate transactions in Units of a Compartment result in a net increase or decrease of Units for that Compartment (relating to the cost of market dealing for that Compartment), the Net Asset Value of the relevant Compartment may be adjusted by an amount which reflects both the estimated fiscal charges and dealing costs that may be incurred by the Compartment and the estimated bid/offer spread of the assets in which the Compartment invests. The adjustment will be an addition when the net movement results in an increase of all Units of the Compartment and a deduction when it results in a decrease. As certain stock markets and jurisdictions may have different charging structures on the buy and sell sides, the resulting adjustment may be different for net inflows than for net outflows.

7.7 General rules

- (a) all valuation regulations and determinations will be interpreted and made in accordance with Luxembourg Law;
- (b) the latest Net Asset Value per Unit may be obtained at the registered office of the Management Company; and
- (c) for the avoidance of doubt, the provisions of this Article 7 are rules for determining the Net Asset Value per Unit and are not intended to affect the treatment for accounting or legal purposes of the assets and liabilities of the Fund or any Units issued by the Fund.

8. **SUSPENSION OF DETERMINATION OF NET ASSET VALUE, ISSUE AND REDEMPTION OF UNITS**

8.1 The Management Company may at any time and from time to time suspend the determination of the Net Asset Value of Units of any Compartment and/or the issue of the Units of such Compartment to subscribers and/or the redemption of the Units of such Compartment from its Unitholders:

- (a) when one or more stock exchanges or markets, which provide the basis for valuing a substantial portion of the assets of the relevant Compartment, or when one or more foreign exchange markets in the currency in which a substantial portion of the assets of the relevant Compartment are denominated, are closed otherwise than for ordinary holidays or if dealings therein are restricted or suspended;
- (b) when, as a result of political, economic, military or monetary events or any circumstances outside the responsibility and the control of the Management Company, disposal of the assets of the relevant Compartment is not reasonably or normally practicable without being seriously detrimental to the interests of the Unitholders;
- (c) in the case of a breakdown in the normal means of communication used for the valuation of any investment of the relevant Compartment or if, for any reason beyond the responsibility of

the Management Company, the value of any asset of the relevant Compartment may not be determined as rapidly and accurately as required;

- (d) if, as a result of exchange restrictions or other restrictions affecting the transfer of funds, transactions on behalf of the Fund are rendered impracticable or if purchases and sales of the Compartment's assets cannot be effected at normal rates of exchange;
- (e) in case of the Fund's liquidation or in the case a notice of termination has been issued in connection with the liquidation of a Compartment; and
- (f) where, in the opinion of the Management Company, circumstances which are beyond the control of the Fund make it impracticable or unfair vis-à-vis the Unitholders to continue trading the Units.

8.2 Any such suspension may be notified by the Management Company in such manner as it may deem appropriate to the persons likely to be affected thereby and will be published in accordance with Article 16. The Management Company will notify Unitholders requesting redemption of their Units of such suspension.

8.3 Such suspension as to any Compartment will have no effect on the calculation of the Net Asset Value per Unit or the issue and redemption of Units of any other Compartment.

8.4 Any request for subscription and redemption will be irrevocable except in the event of a suspension of the calculation of the Net Asset Value per Unit in the relevant Compartment. Withdrawal of a subscription or of an application for redemption will only be effective if written notification (by electronic mail, regular mail, courier or fax) is received by the Management Company before termination of the period of suspension, failing which subscription, redemption applications not withdrawn will be processed on the first Valuation Day following the end of the suspension period, on the basis of the Net Asset Value per Unit determined for such Valuation Day.

8.5 The Management Company may, in its sole discretion, decide to redeem any Unit, to the extent that such redemption is being made simultaneously with the redemption of any Certificates issued under the specific Compartment to which the Units belong.

9. FISCAL YEAR, AUDIT, REPORTING, PUBLICATIONS AND COMMUNICATIONS

9.1 The Fiscal Year will begin on 1 January of each year and terminate on 31 December of each year, except for the first Fiscal Year which began on 8 July 2019 and will end on 31 December 2019.

9.2 The Management Company will keep at its registered office full and accurate books and records of the Fund.

9.3 Audited annual reports are established at the end of each Fiscal Year. Those financial reports will provide for information on each of the Compartment's assets as well as the consolidated accounts of the Fund and be made available to Unitholders free of charge at the offices of the Management Company.

9.4 The financial statements of each Compartment will be established in the Reference Currency of the Compartment but the consolidated accounts will be in EUR.

9.5 Audited annual reports will be published within four months following the end of the accounting year.

- 9.6 On each NAV Calculation Day, the Net Asset Value per Unit within each Compartment will be recorded and made available to the Unitholders at the offices of the Management Company.
- 9.7 Documents available for inspection by Unitholders free of charge, during usual business hours at the offices of the Management Company in Luxembourg (copies of these documents may also be delivered without cost to Unitholders at their request):
- (a) the Management Regulations;
 - (b) Specific Management Regulations; and
 - (c) the most recent annual and semi-annual financial statements of the Fund.
- 9.8 The documents listed in Article 9.7 may be amended from time to time by the parties involved.
- 9.9 All communications by Unitholders with the Fund will be in writing and addressed to the Management Company.

10. DISTRIBUTION

- 10.1 The Management Company may declare annual or interim or any other periodic distributions out from the investment income gains, realised capital gains and any other funds available for distribution, subject to the terms of these Management Regulations and in accordance with the terms of the relevant Specific Management Regulations.
- 10.2 Payments will be made in the Reference Currency of the relevant Compartment. Dividends remaining unclaimed for five years after their declaration will be forfeited and revert to the relevant Compartment.

11. CERTIFICATES

Certificates may also be issued by the Fund and under each Compartment, in accordance with the provisions of the Securitisation Act 2004. Such Certificates shall rank *pari passu* with the Units. The characteristics and rules applicable to the offer of such Certificates shall be included in a Prospectus and/or in the relevant Specific Management Regulations.

12. DURATION OF THE FUND – LIQUIDATION

Duration of the Fund

- 12.1 Unless the Management Company determines, to terminate the Fund in the case where the value of the net assets of the Fund has decreased to an amount determined by the Management Company to be the minimum level for the Fund to be operated in an economically efficient manner, or in case of a significant change of the economic or political situation, or monetary situation or as a matter of economic rationalisation, the Fund will exist for an indefinite period.

Liquidation of the Fund

- 12.2 The Fund will further be dissolved:
- (a) automatically upon the termination of a Compartment if no further Compartment is active at that time;

- (b) in the case of cessation of the functions of the Management Company, if the Management Company has not been replaced within three months; or
- (c) in the case of bankruptcy of the Management Company.

12.3 The liquidation of the Fund or a Compartment cannot be requested by a Unitholder.

Notice of liquidation – Liquidation procedure

12.4 Notice of dissolution of the Fund will be given in the Luxembourg Official Gazette.

12.5 No Units may be issued after the occurrence of the event giving rise to the liquidation of the Fund. The redemption of Units remains possible provided the equal treatment of Unitholders can be ensured.

12.6 In the event of a winding-up of the Fund or a Compartment, the Management Company will dispose of the assets of the Fund or the relevant Compartment (as applicable) in the best interests of the Unitholders of the Fund or the Unitholders of the particular Compartment (as applicable), and the Management Company will distribute the net proceeds of winding-up, after deduction of all winding-up expenses, among the Unitholders, pro rata of the number of Units held by each of them in the relevant Compartment.

12.7 The Management Company will seek to complete the winding-up process as soon as practicable in compliance with the provisions set forth under Luxembourg Law. During the liquidation of the Fund, the Management Company may in its absolute discretion (but is not obligated to) at the request of a Unitholder in respect of the equal treatment of Unitholders (and provided an independent valuation has been obtained), distribute assets to such Unitholder in kind to satisfy such Unitholder's entitlement, in whole or in part, on the liquidation. The Management Company will endeavour to sell all of the assets during the liquidation of the Fund.

12.8 At the close of liquidation of the Fund the proceeds thereof, corresponding to Units not surrendered, will be deposited with the Management Company for a period of 6 months as from the date of the close of the liquidation; after this period, the liquidation proceeds will be deposited with the *Caisse de Consignation* in Luxembourg until expiry of the applicable statute of limitation.

13. REPLACEMENT OF MANAGEMENT COMPANY

13.1 The Management Company can be dismissed for Cause (as defined below) and replaced by a **New Management Company** accepting appointment as the New Management Company of the Fund upon the joint request by registered mail made by Unitholders holding more than 80% of all outstanding Units at the time of the request. For the purpose of this sub-section, any and each of the following events shall constitute a "**Cause**":

- (a) any action of the Management Company which constitutes a material breach in relation to the Management Regulations or the Specific Management Regulations if such a breach is not cured within thirty (30) days of a request to do so (if capable of remedy);
- (b) a serious criminal or serious regulatory conviction by a competent court in relation to its activities on behalf of the Fund;
- (c) any action or omission of the Management Company which constitutes fraud or gross negligence which has not been rectified within thirty (30) days of a request to do so (if capable of remedy).

- 13.2 The Management Company shall cease to be the Management Company of the Fund after the appointment of the New Management Company. Such replacement shall occur within two months following the receipt of the request for replacement. All references to the Management Company are then, as of the day of the replacement, deemed to be replaced by references to the New Management Company. In circumstances where no successor Management Company can be found within two months of such request of replacement, the Fund will be liquidated in accordance with the liquidation provisions in Article 12.

14. EXPENSES OF THE FUND

- 14.1 The Fund will pay out of the assets of the relevant Compartment all expenses incurred by it and attributable to such Compartment, which will include but not be limited to:
- (a) all taxes which may be due on the assets and the income of such Compartment;
 - (b) Auditor fees, usual banking fees due on transactions involving securities or other assets (including derivatives) held in the portfolio of such Compartment (such fees to be included in the acquisition price and to be deducted from the selling price); and
 - (c) the fees, expenses and all reasonable out-of-pocket expenses properly incurred by the Compartment.
- 14.2 Fees, costs, expenses and other obligations which cannot be attributed to a specific Compartment will be general duties of the Fund and shall be deemed to be non-Compartment specific claims, payable in accordance with Article 3.4.

15. AMENDMENTS TO THE MANAGEMENT REGULATIONS

- 15.1 The Management Company may amend these Management Regulations in whole or in part at any time. Amendments will become effective on the date of their signature by the Management Company.
- 15.2 Any amendment to these Management Regulations will be published in accordance with Article 9.

16. NOTICES

- 16.1 All notices must be in the English language.
- 16.2 Notices to Unitholders will be sent to their registered addresses (or such other address as set out in the register of the Unitholders).

17. PROHIBITION TO PETITION FOR LIQUIDATION OR TO SEIZE THE ASSETS OF THE FUND

In accordance with article 64 of the Securitisation Act 2004, any Unitholder and any Certificateholder in, and any Creditor of, the Fund and any person which has entered into a contractual relationship with the Fund (the **Contracting Party**) agrees, unless expressly otherwise agreed upon in writing, not to (1) petition for the winding-up, the liquidation or the dissolution of the Fund or (2) seize any assets of the Fund, irrespective of whether the assets in question belong to (i) the Compartment under which the relevant Unit or Certificate has been issued or in respect of which the Creditor or the Contracting Party have contractual rights against the Fund, (ii) any other Compartment or (iii) the assets of the Fund which have not been allocated to a Compartment (if any).

18. JURISDICTION CLAUSE, APPLICABLE LAW AND AUTHORITATIVE LANGUAGE

- 18.1 Any claim arising between one or more of the Management Company, the Fund and the Unitholders will be settled according to Luxembourg Law and subject to the jurisdiction of the Court of the District of Luxembourg-City, Grand Duchy of Luxembourg, provided that the Management Company may subject itself and the Fund to the jurisdiction of courts of the countries in which the Units are offered or sold, with respect to claims by Unitholders resident in such countries and, with respect to matters relating to subscriptions and redemptions by Unitholders resident in such countries, to the laws of such countries.
- 18.2 English shall be the governing language of these Management Regulations.

SIGNATORIES

EXECUTED in 3 originals with effect as of 8 July 2019

For and on behalf of Isec S.A. in its capacity as management company of Arachide FCP

Director  _____
Full name Marion Fritz
Director
Date 08.07.2019

Director  _____
Full name Béatrice Stulp
Director
Date 08.07.2019