

**RHENMAN & PARTNERS FUND**

Registered Office: 33, rue de Gasperich

L-5826 Hesperange

Grand Duchy of Luxembourg

R.C.S. Luxembourg: K8

**MANAGEMENT REGULATIONS**

**OF**

**RHENMAN & PARTNERS FUND**

**Article 1. - The Fund**

RHENMAN & PARTNERS FUND (hereinafter called the "Fund") was created on 5 June 2009 and is a mutual investment fund ("fonds commun de placement") organised under the laws of the Grand Duchy of Luxembourg and pursuant to Part II of the Law of 17 December 2010 relating to undertakings for collective investments (the "2010 Law"), which qualifies as alternative investment fund in accordance with the 2010 Law and the Law of 12 July 2013 on alternative investment fund managers (the "2013 Law"). The Fund is an unincorporated co-proprietorship of holders of units ("Unitholders") of the securities and other assets of the Fund subject to the provisions of these Management Regulations. It shall be managed in the interest of the Unitholders by FundRock Management Company S.A. (the "Management Company"). The Management Company also acts as alternative investment fund manager (the "AIFM") in accordance with the provisions of Chapter 2 of the 2013 Law. The Fund's assets shall be held by Skandinaviska Enskilda Banken S.A. (the "Depository") and are segregated from those of the Management Company.

The Fund's assets may be segregated in various pools, each a sub-fund ("Sub-Fund"); whereby each segregated pool shall be connected with one or more classes of units as set forth in Article 4 hereafter.

The rights of Unitholders and creditors concerning a Sub-Fund or which have arisen in connection with the creation, operation or liquidation of a Sub-Fund are limited to the assets of that Sub-Fund. For the purpose of the relations between Unitholders, each Sub-Fund will be deemed to be a separate entity. Each Sub-Fund shall bear its own liabilities.

By the acquisition of units ("Units"), any Unitholder fully accept these Management Regulations which determine the contractual relationship between the unitholders, the Management Company and the Depository.

**Article 2. - The Management Company and AIFM**

The Fund shall be managed on behalf of the Unitholders by FundRock Management Company S.A., acting as the Management Company and the AIFM.

FundRock Management Company S.A. is governed by Chapter 15 of the 2010 Law and is authorized as alternative investment fund manager in accordance with Chapter 2 of the 2013 Law. In addition, FundRock Management Company S.A. also manages other undertakings for collective investment including alternative investment funds.

In accordance with Annex I of the 2013 Law, the AIFM performs investment management activities (i.e. portfolio and/or risk management). In addition, the AIFM performs administrative duties (including in particular valuation and pricing, the maintenance of the unitholders' register and the issue and redemption of units), marketing and other activities related to the assets of the Fund, if applicable. The details of the AIFM's rights and duties are governed by the 2013 Law.

In order to cover potential liability risks resulting from professional negligence, the AIFM holds appropriate additional own funds in accordance with the provisions of the 2013 Law.

The AIFM has the exclusive right to manage the Fund for the account and in the exclusive interest of the Unitholders, with the same degree of care as would be expected of an absolute owner having particular regard to the quality and financial standing of the customers. The AIFM has responsibility for managing the Fund in accordance with the Prospectus and the Management Regulations, Luxembourg laws and other relevant legal requirements.

The Board of Directors of the Management Company shall determine the investment policy of the Fund in accordance with the limitations set out in Article 5 below.

The AIFM may, under its own responsibility, control and coordination, transfer some of its tasks to third parties for the purpose of efficient management, in accordance with the 2013 Law.

The AIFM manages the assets of the Fund in compliance with these Management Regulations in its own name, but for the sole benefit of the Unitholders of the Fund.

FundRock Management Company S.A. shall be entitled to a management fee, which it will determine pursuant to Article 13 hereafter.

### **Article 3. - The Depositary**

Skandinaviska Enskilda Banken S.A., a société anonyme under Luxembourg law has been appointed as depositary of the Fund pursuant to a depositary agreement (the “Depositary Agreement”).

The Depositary has been appointed for the safe-keeping of the assets of the Fund which comprises the custody of financial instruments, the record keeping and verification of ownership of other assets of the Fund as well as the effective and proper monitoring of the Fund’s cash flows in accordance with the provisions of the 2010 Law, as amended from time to time, and the Depositary Agreement.

In addition, the Depositary shall also ensure that (i) the sale, issue, repurchase, redemption and cancellation of units are carried out in accordance with Luxembourg Law and the Management Regulations; (ii) the value of the Units is calculated in accordance with Luxembourg law and the Management Regulations; (iii) the instructions of the Management Company are carried out, unless they conflict with the Luxembourg law and/or the Management Regulations; (iv) in transactions involving the Fund’s assets any consideration is remitted to the Fund within the usual time limits; and (v) the Fund’s incomes are applied in accordance with the Luxembourg law and the Management Regulations.

### **Article 4. - The Units**

The Units of the Fund shall be issued and redeemed by the Management Company pursuant to Articles 6 and 11 hereafter at prices based on the respective net asset value determined in accordance with Article 9 of these Management Regulations.

### **Article 5. - Investment policy and restrictions**

The AIFM shall invest the proceeds paid into the Fund for joint account of Unitholders in securities and other assets permitted by law in conformity with the principle of risk spreading. In this context

the Management Company shall specify the investment policy, guidelines and restrictions for each Sub-Fund and publish such guidelines in the prospectus of the Fund (hereinafter the "Prospectus").

Any Sub-Fund may, to the widest extent permitted by and under the conditions set forth in applicable Luxembourg laws and regulations, but in accordance with the provisions set forth in the Prospectus subscribe, acquire and/or hold units to be issued or issued by one or more Sub-Funds of the Fund. In such case and subject to the conditions set forth in applicable Luxembourg laws and regulations, the voting rights if any, attaching to these units are suspended for as long as they are held by the Sub-Fund concerned. In addition and for as long as these units are held by a Sub-Fund, their value will not be taken into consideration for the calculation of the net assets of the Fund for the purposes of verifying the minimum threshold of the net assets imposed by the Law.

#### **Article 6. - Issue of Units in the Fund**

The Management Company shall issue Units in the Fund which may be of different classes and the proceeds of the issue of each class or of several classes shall be invested, pursuant to Article 5 hereof, in a specific portfolio of securities or other assets corresponding to specific criteria which the Management Company shall determine. In respect of each class of Units investments shall be made in accordance with specific investment guidelines to be determined by the Management Company in respect of each Sub-Fund.

The Units will be issued in registered form only by the Management Company after receipt of payment of the purchase price by the Depository.

The Management Company shall comply with the laws and regulations of the countries in which the Units are offered. The Management Company may, at any time and at its discretion, suspend or limit the issue of Units temporarily or permanently in particular countries or areas. The Management Company may exclude certain investors from the purchase of Units when this appears to be necessary to protect the Unitholders and the Fund as a whole.

Units may not be offered, sold or otherwise distributed to prohibited persons (the "Prohibited Persons").

Prohibited Persons mean any person, firm or corporate entity, determined in the sole discretion of the Management Company, as being not entitled to subscribe to or hold Units:

- 1- if in the opinion of the Management Company such holding may be harmful/damaging to the Fund,
- 2- if it may result in a breach of any law or regulation, whether Luxembourg or foreign,
- 3- if as a result thereof the Fund or the Management Company may become exposed to disadvantages of a tax, legal or financial nature that it would not have otherwise incurred or
- 4- if such person would not comply with the eligibility criteria for Units (e.g. in relation to "U.S. Persons" or "Specified US Persons" as described below).

The Fund has not been and will not be registered under the United States Investment Company Act of 1940 as amended (the "Investment Company Act"). The units of the Fund have not been and will not be registered under the United States Securities Act of 1933 as amended (the "Securities Act") or

under the securities laws of any state of the US and such units may be offered, sold or otherwise transferred only in compliance with the Securities Act of 1933 and such state or other securities laws. The units of the Fund may not be offered or sold within the US or to or for the account, of any US Person. For these purposes, US Person is as defined in Rule 902 of Regulation S under the Securities Act.

Rule 902 of Regulation S under the Securities Act defines US Person to include inter alia any natural person resident of the United States and with regards to investors other than individuals, (i) a corporation or partnership organised or incorporated under the laws of the US or any state thereof; (ii) a trust (a) of which any trustee is a US Person except if such trustee is a professional fiduciary and a co-trustee who is not a US Person has sole or shared investment discretion with regard to trust assets and no beneficiary of the trust (and no settlor if the trust is revocable) is a US Person or (b) where a court is able to exercise primary jurisdiction over the trust and one or more US fiduciaries have the authority to control all substantial decisions of the trust and (iii) an estate (a) which is subject to US tax on its worldwide income from all sources; or (b) for which any US Person is executor or administrator except if an executor or administrator of the estate who is not a US Person has sole or shared investment discretion with regard to the assets of the estate and the estate is governed by foreign law.

The term "US Person" also means any entity organised principally for passive investment (such as a commodity pool, Investment Company or other similar entity) that was formed:

(a) for the purpose of facilitating investment by a US Person in a commodity pool with respect to which the operator is exempt from certain requirements of Part 4 of the regulations promulgated by the United States Commodity Futures Trading Commission by virtue of its participants being non-US Persons or (b) by US Persons principally for the purpose of investing in securities not registered under the Securities Act, unless it is formed and owned by "accredited investors" (as defined in Rule 501 (a) under the Securities Act) who are not natural persons, estates or trusts.

The term "Specified US Person" should have the meaning given to it in §1.1473-1(c) of the Treasury Regulations issued on 17 January 2013 regarding the foreign account tax compliance act.

Applicants for the subscription to units will be required to certify that they are not US Persons or Specified US Persons and might be requested to prove that they are not Prohibited Persons.

Unitholders are required to notify the Registrar and Transfer Agent of any change in their domiciliation status.

Prospective investors are advised to consult their legal counsel prior to investing in units of the Fund in order to determine their status as non US Persons/ non Specified US Persons and as non-Prohibited Persons.

FundRock Management Company S.A. may refuse to issue units to Prohibited Persons or to register any transfer of units to any Prohibited Person. Moreover FundRock Management Company S.A. may at any time forcibly redeem/repurchase the units held by a Prohibited Person.

FundRock Management Company S.A. can furthermore reject an application for subscription at any time at its discretion, or temporarily limit, suspend or completely discontinue the issue of units, in as far as this is deemed to be necessary in the interests of the existing unitholders as an entirety, to protect FundRock Management Company S.A., to protect the Fund, in the interests of the investment policy or in the case of endangering specific investment objectives of the Fund.

Moreover, the Management Company may:

- a) reject at its discretion subscription applications, in whole or in part
- b) redeem Units in the Fund held by Unitholders who are excluded from acquiring or holding such Units.

The issue price per Unit shall be the net asset value or Gross Net Asset Value (as set out in the Prospectus) per Unit for the relevant class of Units determined as of the Valuation Day following the receipt of the subscription application, which may be rounded to the nearest currency unit as determined by the AIFM. The Management Company may issue or refuse to issue fractions of Units, as set out in the Prospectus. Any issue taxes and subscription fees incurred shall be charged in addition. A sales commission may be levied for the benefit of the agents active in the placement of the Units, at a rate which shall be set out in the Prospectus. Such fee may be waived in whole or in part as the respective agent may think fit. Payment for Units issued must be received within the number of business days set out in the Prospectus, a business day being defined in the Prospectus (a "Business Day").

More specifically, the Management Company does not permit Late Trading. Late Trading is to be understood as the acceptance of a subscription (or switching or redemption) order after the cut-off time set out in the current Prospectus on a given day and the execution of such order at the price based on the net asset value applicable to an order placed before such cut-off time on such a given day.

In addition, the Management Company does not permit market timing or related excessive, short-term trading practices. In order to protect the best interests of Unitholders, the Management Company reserves the right to reject any application for the subscription or switching of Units from any investor engaging in such practices or suspected of engaging such practices and to take such further action as it, in its discretion, may deem appropriate or necessary.

#### **Article 7. – Switching between classes of Units/Sub-Funds**

Unless specifically disclosed in the Prospectus in relation to a Sub-Fund, holders of Units in one Sub-Fund may in principle switch their Units into Units of another Sub-Fund or from one class of Units of a Sub-Fund into another class of Units of the same Sub-Fund in accordance with the conditions set forth in the Prospectus and subject to compliance with any eligibility conditions of the class of Units of Sub-Fund into which the conversion is to be effected.

#### **Article 8. - Evidence of Unitholding**

Subject to the provisions of Article 6 of these Management Regulations, investors shall be entitled to acquire an interest in the Fund by subscribing for one or more Units. Units will be issued in registered form only, in accordance with the terms of the Prospectus.

Holders of registered Units will receive a confirmation advice of their holding. Transfer of registered Units is evidenced by an inscription in the unit register.

The Management Company may fix, from time to time, minimum subscriptions, holdings and redemptions or any minimum increment in respect thereto in relation to any Sub-Fund.

The Management Company may split or consolidate the Units in the interest of the Unitholders.

#### **Article 9. - Net asset value**

The net asset value per Unit shall be expressed in such currency or currencies as the Management Company shall from time to time determine in respect of each class of Units and shall be computed with respect to the Units of each class by the Management Company at least once a month on dates specified in the current Prospectus (a "Valuation Date") unless otherwise provided in the Prospectus in relation to a Sub-Fund.

The accounts of the Fund shall be expressed in Euro. Where there shall be different Sub-Funds, and if the net asset values of such Sub-Funds are expressed in different currencies, such net asset values shall be converted into Euro and added together for the purpose of determination of the consolidated accounts of the Fund.

The calculation of the net asset value per Unit for any Sub-Fund shall be made by the Administrator, by dividing:

- (i) the total net value of the assets of the relevant Sub-Fund of the Fund, meaning the value of all the securities and all other assets of such Sub-Fund, determined as of the Valuation Date according to the principles described below, less all debts, obligations and liabilities of the Fund with respect to the relevant Sub-Fund, as described hereinafter.  
by
- (ii) the total number of Units of the corresponding Sub-Fund then outstanding.

The assets and liabilities of the Fund shall be allocated in the following manner:

- a) the issue price which shall be received upon issue of Units connected with a specific Sub-Fund shall be attributed in the accounts of the Fund to such Sub-Fund. Assets and liabilities of that Sub-Fund as well as income and expenses which are related to a specific Sub-Fund, shall be attributed to it taking into account the following provisions;
- b) an asset derived from another asset will be applied to the same Sub-Fund as the asset from which it was derived. On each revaluation of an asset the increase or decrease in value shall be applied to the Sub-Fund concerned;
- c) if the Fund incurs liability of any kind in connection with an asset attributable to a Sub-Fund, then such liability shall be attributed to the same Sub-Fund;

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- d) if an asset or liability cannot be attributed to any Sub-Fund, then such asset or liability shall be allocated to all the Sub-Funds pro rata to the respective net asset values of the Sub-Funds;
- e) upon a distribution to holders of Units of a specific Sub-Fund or upon a payment of expenses on behalf of holders of Units of a specific Sub-Fund, the proportion of the total net asset attributable to such Sub-Fund shall be reduced by the amount of the distribution or of such expenses;
- f) all liabilities shall be attributed to each relevant Sub-Fund.

Units to be redeemed shall be treated as existing and taken into account until immediately after the close of business on the relevant Valuation Date and from such time until paid the price therefore shall be deemed to be a liability of the Fund.

The assets of each relevant Sub-Fund will be valued as follows:

- a) the value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received is deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof is arrived at after making such discount as may be considered appropriate in such case to reflect the true value thereof.
- b) the value of assets, which are listed or dealt in on any stock exchange, is based on the closing price of the preceding business day on the stock exchange, which is normally the principal market for such assets.
- c) the value of assets dealt in on any other regulated market which is recognised, operating regularly and open to the public (a "Regulated Market") is based on the closing price of the preceding business day.
- d) in the event that any assets are not listed or dealt in on any stock exchange or on any other Regulated Market, or if, with respect to assets listed or dealt in on any stock exchange, or other Regulated Market as aforesaid, the price as determined pursuant to sub-paragraph (b) or (c) is not representative of the fair market value of the relevant assets, the value of such assets will be based on the reasonably foreseeable sales price determined prudently and in good faith.
- e) the liquidating value of options contracts not traded on exchanges or on other Regulated Markets shall mean their net liquidating value determined, pursuant to the policies established by the AIFM, on a basis consistently applied for each different variety of contracts. The liquidating value of futures, forward or options contracts traded on exchanges or on other Regulated Markets shall be based upon the closing prices of these contracts on the preceding business day on exchanges and Regulated Markets on which the particular futures, forward or options contracts are traded by the Fund; provided that if a futures, forward or options contract could not be liquidated on the day with respect to



which net assets are being determined, the basis for determining the liquidating value of such contract shall be such value as the board of directors may deem fair and reasonable.

- f) credit default swaps will be valued at their present value of future cash flows by reference to standard market conventions, where the cash flows are adjusted for default probability. Interest rate swaps will be valued at their market value established by reference to the applicable interest rates' curve. Other swaps will be valued at fair market value as determined in good faith pursuant to the procedures established by the board of directors and recognised by the auditor of the Fund.
- g) units or shares of open-ended underlying funds will be valued at their last determined and available net asset value or, if such price is not representative of the fair market value of such assets, then the price shall be determined by the AIFM on a fair and equitable basis and in good faith.
- h) all other securities and other assets will be valued at fair market value as determined in good faith pursuant to the procedures established by the AIFM.

In circumstances where one or more pricing sources fails to provide valuations for an important part of the assets to the Administrator preventing the latter to determine the subscription and redemption prices, the Administrator shall inform the AIFM who may decide to suspend the net asset value calculation.

The AIFM may, at its discretion, permit some other method of valuation to be used if it considers that such method of valuation better reflects the true value and is in accordance with good accounting practice.

Values expressed in a currency other than the currency of denomination of the net asset value of the relevant Sub-Fund shall be translated into that currency of denomination at the average of the last available buying and selling price for such currency.

The assets of the Fund will be deemed to include:

- a) all cash on hand or on deposit, including any interest accrued thereon;
- b) all bills and notes payable and accounts receivable (including proceeds of securities sold but not delivered);
- c) all bonds, time notes, shares, stock, debenture stocks, subscription rights, warrants, options and other securities, financial instruments and similar assets owned or contracted for by the Fund (provided that the Fund may make adjustments in a manner not inconsistent with the valuation guidelines above with regard to fluctuations in the market value of securities caused by trading ex-dividends, ex-rights, or by similar practices);
- d) all stock dividends, cash dividends and cash distributions receivable by the Fund to the extent information thereon is reasonably available to the Fund;

- e) all interest accrued on any interest-bearing assets owned by the Fund except to the extent that the same is included or reflected in the principal amount of such asset;
- f) the liquidating value of all forward contracts and all call or put options the Fund has an open position in;
- g) the preliminary expenses of the Fund, including the cost of issuing and distributing Units of the Fund, insofar as the same have to be written off;
- h) all other assets of any kind and nature including expenses paid in advance.

The liabilities of the Fund shall be deemed to include:

- a) all loans, bills and accounts payable;
- b) all accrued interest on loans of the Fund (including accrued fees for commitment for such loans);
- c) all accrued or payable expenses (including, without limitation, administrative expenses, management fees, including incentive fees, if any, and custodian fees);
- d) 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 the Fund;
- e) an appropriate provision for future taxes based on capital and income as of the Valuation Day, as determined from time to time by the Fund, and other reserves (if any) authorized and approved by the AIFM, as well as such amount (if any) as the AIFM may consider to be an appropriate allowance in respect of any contingent liabilities of the Fund;
- f) all other liabilities of the Fund of whatsoever kind and nature reflected in accordance with generally accepted accounting principles. In determining the amount of such liabilities, the Fund shall take into account all charges and expenses payable by the Fund pursuant to this Article. The Fund may accrue administrative and other expenses of a regular or recurring nature based on an estimated amount rateably for yearly or other periods.

**Article 10. - Suspension of the calculation of the net asset value and of the issue and redemption of Units**

The AIFM may suspend temporarily the calculation of the net asset value per Unit of any Sub-Fund and the Management Company may suspend temporarily the issuance and redemption of Units of any Sub-Fund:

- a) during any period when any of the principal stock exchanges or other markets on which any substantial portion of the investments of the Fund attributable to such Sub-Fund from time to time is quoted or dealt in is closed otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended, provided that such restriction or

suspension affects the valuation of the investments of the Fund attributable to a Sub-Fund quoted thereon; or

- b) during the existence of any state of affairs which constitutes an emergency in the opinion of the AIFM as a result of which disposals or valuation of assets owned by the Fund attributable to such Sub-Fund would be impracticable; or
- c) during any breakdown in the means of communication normally employed in determining the price or value of any of the investments of such Sub-Fund or the current price or values on any stock exchange or other market in respect of the assets of such Sub-Fund; or
- d) when for any other reason the prices of any investments owned by the Fund attributable to any Sub-Fund cannot promptly or accurately be ascertained; or
- e) during any period when the Fund is unable to repatriate funds for the purpose of making payments on the redemption of the Units of such Sub-Fund or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of Units cannot in the opinion of the AIFM be effected at normal rates of exchange;

The Management Company shall cease the issue and redemption of the Units forthwith upon the occurrence of an event causing it to enter into liquidation. Unitholders having subscribed for or requested redemption or switches of their Units will be notified in writing of any suspension and of the termination of such suspension.

#### **Article 11. - Redemptions**

Unitholders may request the redemption of their Units on each Valuation Date at the relevant redemption price. Applications to redeem must be received at the offices of the Management Company at such time as shall be specified in the Prospectus on a Business Day determined by the Management Company and preceding the Valuation Date on which the redemption is intended to be effected. Redemption applications received after such time will be carried forward to and dealt with on the next Valuation Date.

The redemption price shall be based on the net asset value per Unit and decreased by an amount for redemption fee, as prescribed for in the Prospectus. The redemption fee may be deducted from the net asset value per Unit and reverts to the assets of the respective Sub-Funds unless otherwise described in the Prospectus outlining the characteristic of each Sub-Fund.

The redemption fee may be waived in whole or in part as the beneficiary of such fee may think fit.

The AIFM must ensure that sufficient liquid funds are available in the Fund's assets of each Sub-Fund, so that the payment for the redemption of Units can, in normal conditions, be effected within 5 Business Days counting from and including the relevant Valuation Date.

The Depositary is obliged to make payments immediately, unless there are any specific statutory provisions such as foreign exchange restrictions, or any circumstances beyond the Depositary's control which make it impossible to transfer the redemption proceeds to the country where the redemption was requested.

If applications to redeem are received in respect of any one Valuation Date for redemptions (including switches) aggregating more than 10% of the outstanding Units of any one Sub-Fund, then the Management Company shall have the right to decide that part or all of such requests for redemption will be deferred for such period as the Management Company considers to be in the best interests of the respective Sub-Fund. Such period may normally not exceed one Valuation Day. Redemptions shall be limited with respect to all Unitholders seeking to redeem Units as of a same Valuation Date so that each such Unitholder shall have the same percentage of its redemption request honoured; the balance of such redemption requests shall be processed by the Management Company on the next Valuation Date, subject to the same limitation. On such Valuation Date, such requests for redemption will be dealt with in priority to subsequent requests.

#### **Article 12.- Compulsory redemption and Termination of Sub-Fund**

The Management Company may at any time, and at its own discretion and in accordance with the dispositions set out in the Prospectus, decide to terminate any Sub-Fund or Class. After giving prior notice to the Unitholders of the relevant Sub-Fund or Class, the Management Company may redeem all (but not some) Units on the next Valuation Date following the notification of the Unitholders at a redemption price reflecting the anticipated realisation and liquidation costs, but with no redemption charge. Such notice will indicate the reasons of and the procedure for the redemption operations. Unless it is otherwise decided in the interests of, or to keep equal treatment between, the Unitholders, the Unitholders of the Sub-Fund or Class concerned may continue to request redemption of their Units free of charge (but taking into account actual realization prices of investments and realization expenses) prior to the date effective for the compulsory redemption.

Liquidation revenue not claimed and distributed to Unitholders after conclusion of the liquidation proceedings shall be deposited by the Depositary on behalf of entitled Unitholders after conclusion of the liquidation proceedings with the Luxembourg *Caisse de Consignation*. Unless claimed within the legal time limit, such amounts shall revert to the *Caisse de Consignation*.

If the Management Company becomes aware that any Units are owned directly or indirectly by any person in breach of any law or requirement of a country or governmental or regulatory authority, or otherwise in the circumstances referred to in Article 6 of these Management Regulations, the Management Company may require the redemption of such Units.

All redeemed Units shall be cancelled.

Furthermore, the Management Company may decide to allocate the assets of any Sub-Fund to those of another existing Sub-Fund within the Fund or to another undertaking for collective investment organized under the provisions of Part II of the 2010 Law or to another sub-fund within such other

undertaking for collective investment (the "new Sub-Fund") and to redesignate the Units of the Sub-Fund concerned as Units of another Sub-Fund (following a split or consolidation, if necessary, and the payment of the amount corresponding to any fractional entitlement to Unitholders). Such decision will be published in the same manner as described in the first paragraph here above one month before its effectiveness (and, in addition, the publication will contain information in relation to the new Sub-Fund), in order to enable Unitholders to request redemption of their Units, free of charge, during such period.

### **Article 13. - Expenses of the Fund**

The Fund may bear the following expenses:

- ◆ all taxes which may be payable on the assets, income and expenses chargeable to the Fund;
- ◆ standard brokerage (including prime brokerage) and bank charges incurred by the Fund's business transactions (these charges are included in the cost of investments and deducted from sales proceeds);
- ◆ expenses, as the case may be, of FundRock Management Company S.A. in the context of the management and placement and distribution of the Fund;
- ◆ the cost, including that of legal advice, which may be payable by FundRock Management Company S.A. or the Depositary for actions taken in the interest of the Unitholders;
- ◆ the fees and expenses incurred in connection with the registration of the Fund with, or the approval or recognition of the Fund by, the competent authorities in any country or territory and all fees and expenses incurred in connection with maintaining any such registration, approval or recognition;
- ◆ the cost of preparing, depositing, translating and publishing the Management Regulations and other documents in respect of the Fund, including notifications for registration, prospectuses and memoranda for all governmental authorities and stock exchanges (including local securities dealer's associations) which are required in connection with the Fund or with offering the Units of the Fund, the cost of preparing, printing and distributing reports for the Unitholders in all required languages, together with the cost of printing and distributing all other reports and documents which are required by the relevant legislation or regulations, the cost of bookkeeping and computation of the net asset value per Unit, the cost of notifications to Unitholders, the fees of the Fund's auditors and legal advisers, and all other similar administrative expenses, including the cost of advertising and other expenses incurred in connection with such activity, specifically for the offer and sale of the Units of the Fund, such as the cost of printing copies of the above-mentioned documents and reports as are used in marketing the Units.

All recurring fees, costs and expenses are first deducted from the investment income, then from realised capital gains and then from the assets. Other expenses will be written off over a period of one year.

The expenses of establishing the Fund are to be written off over a period of five years.

However, in the event that further Sub-Funds are created and established during the first year of existence of the Fund, the initial establishment costs shall, unless the Management Company determine otherwise, be borne by all such Sub-Funds in proportion to their respective initial net assets on a time adjusted basis according to the length of time they have been in existence.

Where a new Sub-Fund is created and launched thereafter, it will incur its own initial expenses that will be written off over a period of five years.

Additional or specific fees, charges and expenses may be provided for in the Prospectus.

#### **Article 14. - Business year, Auditing**

The accounting year of the Fund shall end on 31 December of each year.

The Fund and the accounts thereof shall be audited by an authorised auditor to be appointed by the Management Company.

#### **Article 15. - Distributions**

The Management Company may decide, within the limits set forth by law in respect of each Sub-Fund, whether distribution shall be made to the holders of Units, the frequency and in what amount Distribution so declared (if any) shall be paid within a certain delay to be decided from time to time by the Management Company, and considering that all Units of one Sub-Fund are entitled to participate equally in the profits made and dividends paid in respect of the relevant Sub-Fund.

Entitlement to dividends and allocations not claimed within 5 years of the due date shall be forfeited and the corresponding assets shall revert to the relevant Sub-Fund.

#### **Article 16. - Amendments to these Management Regulations**

The Management Company may amend these Management Regulations in full or in part at any time with the agreement of the Depositary.

They become effective upon their execution by the Depositary and the Management Company, subject to any regulatory clearance and necessary registrations and deposits. A notice advising of their deposit in the *Registre de Commerce et des Sociétés* in Luxembourg will be published in the Luxembourg "*Recueil Électronique des Sociétés et Associations*" (the "RESA").

The Management Regulations are on file at the *Registre de Commerce et des Sociétés* in Luxembourg.

**Article 17. - Announcements**

The latest Net Asset Value per Unit of each Sub-Fund and the issue and redemption prices per Unit shall be made public at the registered office of FundRock Management Company S.A. every Business Day in Luxembourg.

The annual report, which shall be published within six months following the close of the accounting year shall be made available to Unitholders at the registered office of FundRock Management Company S.A.

Notice of any event giving rise to liquidation of the Fund shall be published in the *Mémorial* and in two other newspapers including at least one newspaper with appropriate circulation in those countries where the Fund is publicly distributed.

Without prejudice to what is provided for in Article 16 above, amendments to the Management Regulations and notices to Unitholders, including notices about the suspension of the calculation of the net asset value and of the redemption of Units, shall be sent to the Unitholders at their address in the Unit register and may be published in such newspapers as the Management Company may from time to time determine.

**Article 18. - Duration of the Fund, Liquidation**

The Fund and each specific Sub-Fund shall be established for an indefinite period. The Fund may be dissolved at any time by decision of the Management Company with prior notification to the Depositary. Notice must be given in accordance with Article 17 above. No Unit may be issued after the date of decision of the Management Company and the Depositary. Units may continue to be redeemed if the equal treatment between all Unitholders can be ensured.

The Management Company shall realise the assets of the Fund concerned in the best interest of the Unitholders, and the Depositary shall distribute the net liquidation proceeds corresponding to the relevant Sub-Fund, after deduction of liquidation charges and expenses, to the holders of Units of such Sub-Fund in the proportion of the respective net asset values per Unit, all in accordance with the directions of the Management Company.

Unitholders or their successors in title may not demand the dissolution or division of the Fund.

**Article 19. - Statute of limitation**

Unitholders' claims against the Management Company or the Depositary shall cease to be valid 5 years after the date of the occurrence giving rise to the claim.

**Article 20. - Applicable Law, Jurisdiction and Authoritative Languages**

The District Court of Luxembourg shall have jurisdiction over any disputes between the Unitholders, the Management Company and AIFM, the Unitholders thereof and the Depositary, and Luxembourg law shall apply. FundRock Management Company S.A. and/or the Depositary may nevertheless

submit themselves and the Fund to the jurisdiction of the countries in which the Units are offered and sold, in respect of claims by investors from such countries.

The English-language version of these Management Regulations shall be binding. The Management Company and the Depositary may nevertheless accept the use of translations approved by them into the languages of countries in which Units are offered and sold and these shall be binding in respect of such Units sold to investors in those countries.

These Management Regulations cancel and replace in their entirety the Management Regulations as at 22 June 2018.

These Management Regulations are effective as 12 April 2019

  
NAME: GREGORY NICOLAS  
FundRock Management Company S.A.

  
NAME: ROMAIN DENIS

  
Skandinaviska Enskilda Banken S.A.



**Holger Barth**  
Head of Investor Services  
Depositary Bank Function

**Thierry PORTZ**  
Head of Trustee Services