



SNCI – Co-Investments – Key Terms

This document is prepared for indicative purposes only and summarises the key terms and conditions contemplated by the *Société Nationale de Crédit et d'investissement (SNCI)* in the context of its co-investments. It does not constitute a contractual commitment, nor an offer or solicitation of investment by SNCI. It is not exhaustive and additional terms and conditions may be communicated at a later stage during the discussion and structuring process. The definitive terms shall be set out in the applicable legal documentation of the relevant investment vehicle (the **Co-investment**).

1. Co-Investment Structure

The Co-investment shall be made through a dedicated co-investment vehicle (the **SPV**) having a separate legal personality and providing for the limited liability of its members up to their committed contributions. The management of the SPV, including the management of the interest in the portfolio company and all decisions relating thereto, shall be delegated to the manager of the main fund (the **Manager**)¹. The SPV shall not employ any leverage.

2. Regulatory Supervision

The Manager shall hold all licences and regulatory authorisations required for the conduct of its management activities, issued by the competent supervisory authority (CSSF or equivalent). The SPV and/or the Manager shall be supervised by a supervisory authority. A legal opinion addressed to SNCI may be required to obtain certain legal, regulatory and/or tax confirmations with respect to the SPV and its Manager.

3. Fundamental Principles

The investment and exit of SNCI shall be made on the same terms (same upside and downside risks and rewards, same level of subordination, same financial and legal conditions) as between the SPV and the main fund. The investment of SNCI shall be made on arm's length terms, satisfying the market economy operator principle. Private investors (credit institutions, private funds, family offices, institutional investors, etc.) shall represent at least 30%. Distributions to SNCI shall be made entirely in cash, without delay, and without any hurdle or carried interest mechanism.

4. Nature of the Investment

The SPV's investment in the portfolio company shall take the form of equity or a combination of equity and debt, as determined by the Manager in accordance with applicable law.

¹ For the purpose of this document, the term "Manager" also designates, as the case may be, an investment advisor providing investment advisory services with respect to the Fund.



5. Reporting and Valuation

The Manager shall provide SNCI with reporting modelled on that prepared for the main fund, mutatis mutandis, aligned with the standards and guidelines promoted by Invest Europe, comprising at least four quarterly reports and one annual report. Such reporting shall include, in particular, the valuation policy and the valuation model, which shall be in line with the guidelines promoted by Invest Europe. The Manager shall not receive any management fees or performance-based remuneration in respect of the SPV ("no fee, no carry").

6. Right to Information

SNCI shall receive all information that the SPV or the Manager (including when acting on behalf of the main fund) receives from the portfolio company and shall be expressly authorised to communicate such information, if applicable, to its fiduciary principals (the State of the Grand Duchy of Luxembourg, the Luxembourg Intergenerational Sovereign Fund (FSIL)) as well as for the purposes of the internal governance of SNCI and its fiduciary principals.

7. Luxembourg Economic Substance

The portfolio company shall contractually undertake to maintain or establish an effective presence in the Grand Duchy of Luxembourg. A detailed business plan describing the contemplated activities, operational objectives and an implementation timeline shall be submitted prior to the investment. The portfolio company shall report biannually on the implementation of the business plan. It shall further undertake to develop synergies with the Luxembourg economic ecosystem and to actively collaborate with local stakeholders and participants.