

SNCI – Investment Funds – 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* (the **SNCI**) in the context of its fund investments. It does not constitute a contractual commitment, nor an offer or solicitation of investment by the 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 **Fund**).

1. Fund Structure

The Fund shall provide for the limited liability of its members up to their committed contributions.

2. Regulatory Supervision

The manager of the Fund (the **Manager**)¹ 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 Fund and/or the Manager shall be supervised by a supervisory authority. A legal opinion addressed to the SNCI may be required to obtain certain legal, regulatory and/or tax confirmations with respect to the Fund and its Manager.

3. Fundamental Principles

The investment of the SNCI in the Fund shall always rank *pari passu* (i.e. Like Risk, Like Reward) with Market Oriented Investors² (same upside and downside risks and rewards, same level of subordination). Further, commitments to the Fund made by private investors (credit institutions, private funds, family offices, institutional investors, etc.) shall represent at least 30% of the total commitments of the Fund and SNCI's commitment shall never exceed 33.33% of the total commitments. Distributions to SNCI shall be made entirely in cash. SNCI will require a seat on the advisory committee of the Fund.

4. Reporting and Valuation

The Manager shall provide the SNCI with reporting aligned with the standards and guidelines promoted by Invest Europe, comprising at least four quarterly reports and one annual audited 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.

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.

² Market Oriented Investors are investors operating in circumstances corresponding to the market economy investor principle, irrespective of the legal nature and ownership structure of these investors, being so-called normal economic operators in market economies.



5. Right to Information

SNCI shall be expressly authorised to communicate any information relating to the Fund (including its Manager and portfolio companies), 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 the SNCI and its fiduciary principals.

6. Luxembourg Economic Substance

The Manager shall contractually undertake to maintain or establish an effective presence in the Grand Duchy of Luxembourg. A detailed Economic Substance Plan describing the human resources, infrastructure, decision-making processes and operational activities as well as an implementation timeline shall be submitted prior to the investment. The Manager shall report biannually on the implementation of the Economic Substance Plan and on the economic substance of the Fund's portfolio companies in the Grand Duchy of Luxembourg. It shall further undertake to develop synergies with the Luxembourg economic ecosystem and to actively collaborate with local stakeholders and participants.