

EXECUTION VERSION

Dated 14 September 2017

**COMPARTMENT REGULATIONS**

of

**FCT YOUNITED ITALY - COMPARTMENT A**

*(Compartiment du fonds commun de titrisation FCT Younited Italy)*

between

**EUROTITRISATION**

Management Company

and

**YOUNITED**

Custodian

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## **BETWEEN THE UNDERSIGNED:**

- (1) **EuroTitrisation**, a *société anonyme* (limited company), whose registered office is located at 41 rue Délizy, Immeuble Les Diamants, 93500 Pantin, France, registered with the Bobigny Trade and Companies Registry under number 352 458 368, a *société de gestion de portefeuille* licenced by the AMF under number GP-14000029 to manage *fonds d'investissement alternatif*, in its capacity as the Fund's management company, whose representative is duly authorised for the purposes hereof (the '**Management Company**'); and
- (2) **Younited**, a *société anonyme* with a management board and a supervisory board, whose registered office is located at 24, rue Drouot 75009 Paris, France, registered with the Nanterre Trade and Companies Registry under number 517 586 376, whose representative is duly authorised for the purposes hereof (the '**Custodian**').

## **WHEREAS:**

- (A) The Management Company and the Custodian have established the securitisation fund 'FCT Younited Italy' (the '**Fund**'), a *fonds commun de titrisation à compartiment* which is governed by the provisions of Articles L. 214-167-I to L. 214-190 and Articles R. 214-217 to R. 214-240 of the French *Code Monétaire et Financier*.
- (B) On the date hereof, the Management Company and the Custodian signed the Fund's general regulations (the '**General Regulations**'). The General Regulations provide that the Fund may comprise several compartments. The establishment of a new compartment requires the execution by the Management Company and the Custodian, of compartment regulations applicable to such compartment, which shall set out *inter alia* the specific rules (i) for the subscription of debt instruments by such compartment, (ii) for the issuance of units ad/or debt instruments by such compartment, (iii) for the mechanisms for hedging the risks to which such debt instruments and/or units are exposed and, if applicable, (iv) for the conditions under which the compartment may borrow funds. The compartment regulations shall also state whether the compartment will subscribe further debt instruments after its initial issue of debt instruments and/or units and/or issue new debt instruments and/or units after such initial issue. In the event of discrepancy, the provisions of the compartment regulations shall prevail over the provisions of the General Regulations.
- (C) In accordance with the General Regulations, the Management Company and the Custodian have agreed to establish a compartment of the Fund named 'FCT Younited Italy - Compartment A' (the '**Compartment**') and, for such purpose, have decided to adopt these compartment regulations (the '**Compartment Regulations**').

**NOW, THEREFORE, IT HAS BEEN AGREED AS FOLLOWS:**

**1 DEFINITIONS**

The capitalised terms and expressions used in these Compartment Regulations have the meanings given thereto in Schedule 1.

**2 RISK FACTORS**

**2.1** Potential investors are invited to consider the following risk factors before making a decision to invest in the Units that the Compartment issues.

**2.2** The Arranger, the Management Company and the Custodian consider that, as of the date hereof, the following risks are the main risks inherent in the legal nature of the Compartment, its activity and its ability to fulfil its obligations, in particular those under the Units. Nevertheless, potential investors' attention is drawn to the fact that the list of risks below is not necessarily exhaustive, that other risks that, as of this date, are not known or are not considered material, may have a significant impact on the Compartment, its activity, its financial position or the Units, and that the Arranger, the Management Company and/or the Custodian shall in no event be liable in connection with the risks listed below or any other risk not included in this list.

**Risks associated with the Compartment's liabilities**

**Complexity of the structure**

The structure of the Compartment, the Units issued by the Compartment and associated risks are complex and therefore Units are offered solely to legal entities which are professional investors.

***Recourse limited to the Compartment's assets***

The cash flows generated by the Compartment's assets are the sole source of payment for the amounts of principal and interest owed under the Units.

The Units constitute obligations of the Compartment only.

The recourse of Unitholders for the payment of principal and interest is limited to the Compartment's assets and are subject to the cash flow allocation rules set out in Clause 23 (*CASH FLOW ALLOCATION*). Said cash flows are allocated to the Unitholders in proportion to the number of Units they hold and on the basis of the Maturity and Issue Date of the Units subscribed.

Units issued are neither an equity stake in the capital of Younited, the Arranger, the Management Company, the Custodian, the Issuer, nor an obligation of such entities, and are not guaranteed by any of those entities or any other entity.

Unitholders may not, under any circumstances, exercise any recourse directly against the Compartment's assets. Unitholders have no recourse against the Issuer or the Borrowers, nor any right to take legal action against them for the purpose of collecting sums owed under the Issuer Units that the Compartment holds as assets or the Receivables that backed such Issuer Units.

Therefore, the payment of sums owed to the Unitholders is solely dependent on the Compartment's ability to fulfil its payment obligations, which is itself solely dependent on the amounts paid by the Issuer under the Issuer Units and ultimately by amounts collected by the Issuer on the Receivables that the Issuer holds as assets and, thus, on the ability of the Borrowers to pay the sums owed to the Issuer under such Receivables.

Furthermore, there is a risk that certain services necessary to the Compartment's activity and that it has outsourced to external service providers may be invoiced at costs that are higher than anticipated and that such increase in costs could reduce the funds available to the Compartment to pay the sums owed to the Unitholders.

There is therefore a risk that the Compartment's assets will not enable the Compartment to fulfil all of its payment obligations to the Unitholders. Accordingly, the Unitholders may suffer a loss of principal and/or interest.

#### ***Liquidity in the secondary market***

No assurance can be given that a secondary market for the Units will develop and, in the event such secondary market does develop, that it will exist during the entire existence of the Units, or that it will be able to provide Unitholders with sufficient liquidity. The market value of the Units could fluctuate if there is no liquidity in the secondary market or if such liquidity is insufficient.

#### ***Return on the Units and the risk of early amortisation***

In general, prepayments under the Issuer Units that the Compartment holds as assets, and the occurrence of an Accelerated Amortisation Event or the occurrence of a Compartment Dissolution Event may significantly reduce the average life of the various Units and modify the forecast return on the various Units.

#### ***Tax withholding***

If a payment that the Compartment owes the Unitholders is subject to a deduction of tax or tax withholding, the Compartment has no obligation to increase the payment owed or to pay the Unitholders one or more additional amounts so that, after the deduction of tax or tax withholding, the amount actually paid equals the amount that would have been paid had there be no obligation pursuant to the relevant deduction of tax or tax withholding.

Therefore, the Unitholders may suffer a loss of principal and/or interest in the event any tax withholding scheme is adopted.

#### ***Projections and estimates***

The estimates, projections and forecasts concerning the Compartment's assets, as well as the estimates, projections and forecasts about the Compartment's liabilities that may be provided to the Unitholders are speculative by nature and it is foreseeable that all or some of the assumptions on which such estimates, projections and forecasts are based will not be in accordance with or will differ from actual data. Consequently, actual data may be different and the differences between the actual data and the estimates, projections and forecasts in question may be substantial.

## **Risks associated with the Compartment's assets**

### ***Risks associated with the nature of the Compartment's assets***

The Compartment owns the Issuer Units backed by the Receivables and holds all rights in connection with such Issuer Units, including all instalments of principal and interest and all other ancillary rights transferred automatically on the date such Issuer Units are subscribed by the Compartment, including all rights arising from the actions that may be exercised against the Issuer on behalf of the Compartment.

In principle, the Issuer Units are not secured by any security interest, or any personal guarantee or guarantee *in rem*.

### ***Risk of Borrower default***

If a Borrower defaults in the payment of sums owed to the Issuer under a Receivable, the Issuer may be unable to pay any amount due, whether in interest, principal or otherwise under the Issuer Units, in turn, the Compartment may be unable to pay any amount due, whether in interest, principal or otherwise under the Units and then ultimately, the Unitholders may be affected and could incur a corresponding loss due to the pooling of risks within the Compartment.

Accordingly, there is a risk that the Compartment's assets will not enable the Compartment to fulfil all of its payment obligations to Unitholders. They may therefore lose all or some of the interest payments under the Units and/or of the principal amount of their investment.

The consumer credit market in Italy is specific and associated risks may not be similar to other consumer credit markets in Europe. Any deterioration in the economic condition in Italy could trigger losses of principal on the Units and/or could reduce the respective yields of each class of Units. Each investor contemplating the subscription of any Units should conduct an independent appraisal of the economic conditions in Italy and of the Italian consumer credit market.

### ***Risks associated with late payment by Borrowers***

If a Borrower is late in paying an instalment due to the Issuer under a Receivable, the servicer of the Issuer will use its best endeavours to collect such instalment or to have such instalment collected.

However, the Issuer's servicer's obligations, with respect to management and collection of the Receivables are limited to a best endeavours obligation and no warranty is made to the Issuer and in turn to the Compartment, and then ultimately the Unitholders in this respect. There is therefore a risk that the Issuer's servicer will be able to collect only a portion or none of the sums that a Borrower owes under a Receivable.

Accordingly, there is a risk that the Issuer's assets will not enable it to fulfil all of its payment obligations under the Issuer Units and hence there is a risk that the Compartment in turn will not be able to fulfil all of its payment obligations to Unitholders. They may therefore a loss of principal and/or interest.

### ***Possible delays in enforcing ancillary rights***



Investors are hereby informed that the Compartment bears the risk of delays in enforcing the rights attached to the Issuer Units. Such delays could cause temporary shortages of available funds to pay the interest and/or principal owed under the Units.

***Selection of Borrowers***

Investors are hereby informed that Borrowers are selected on the basis of an in-depth study of Borrowers' credit risk, in accordance with Younited (Italian Branch)'s selection (scoring) procedures.

Nevertheless, no representation or warranty is made by the Issuer to the Compartment and in turn by the Compartment to the Unitholders by any person that the selection of Borrowers is adequate in light of their respective investment objectives. Younited does not warrant the solvency of the Borrowers.

Therefore, there is a risk that the Borrowers' credit risk profile may be higher than the credit risk profile expected by a Unitholder.

***Risk that information about Borrowers may be erroneous***

Information about a particular Borrower may prove to be erroneous and, consequently, provide an erroneous credit profile of the relevant Borrower, which may result in the loss of the Compartment with respect to the Issuer Units held by the Compartment and in turn a loss of investment made by the Unitholders in the event such Borrower defaults under the relevant Loan.

In fact, although numerous automatic and manual controls and checks (of the information provided by Borrowers) are carried out by Younited, Italian Branch and third party service providers during the Borrower selection procedures, there is a risk that a Borrower's final score may be inaccurate if it was calculated on the basis of out-dated, incomplete or incorrect data, for example in the event the Borrower fraudulently completed his certificate of financial position during the selection procedures conducted by Younited, Italian Branch, or in the event that, such Borrower defaults in the payment of any of his pre-existing obligations, takes out other debts or faces financial difficulties of any type after the commencement of the selection procedures and provision of information by such Borrower to Younited, Italian Branch.

Neither the Compartment and the Management Company nor the Issuer or the Issuer's servicer or any other person do verify the information that Borrowers provide to Younited, Italian Branch and, therefore, shall in no event be liable on such grounds. Furthermore, Investors do not have access to the financial information about Borrowers that is obtained in connection with the selection procedures of Borrowers by Younited, Italian Branch and will not be able to verify the information about Borrowers.

***Risk of errors by external service providers performing controls***

Numerous control and verification procedures ensure the proper operation of the Compartment's and the Issuer's respective activity. Certain control services are or may be outsourced by the Compartment, the Issuer and the Originator to external service providers. Despite the fact that such external service providers have been

or will be chosen with the greatest possible care, there is a risk that such service providers may commit errors in the performance of the duties assigned to them by the Compartment, the Issuer and the Originator, in particular their control duties. The consequences of such errors may have a negative impact on the Compartment's and the Issuer's respective activity, the collection of the Receivables or the selection of Borrowers.

No representation or warranty is given to the Investors, whether by the Compartment or by Younited or by the Issuer or by the Originator or any other person, that external service providers will properly perform their duties.

***Risk of an insufficient number of Borrowers***

The success of the intended activity of the Issuer, and hence, the Compartment is based in part on the ability of the Originator to attract a sufficient number of Borrowers. If the Originator is unable to attract a sufficient number of Borrowers, there is a significant risk that risks will be concentrated on an insufficient number of Borrowers.

Accordingly, there is a risk that the Issuer's assets will not be able to fulfil all of its payment obligations to the Compartment under the Issuer Units, and in turn there is a risk that the Compartment will not be able to fulfil all of its payment obligations to the Unitholders under the Units. The Unitholders may therefore suffer a loss of principal and/or interest.

***Risk of the Servicer's default***

In the event that the Originator ceases to act as servicer of the Issuer or is replaced by a back-up servicer, its replacement and the communication of necessary information in connection with the servicing and collection of Receivables may be delayed. Such delays could prevent the Issuer from timely paying the Compartment under the Issuer Units and in turn, they could prevent the Compartment from timely paying the Unitholders under the Units.

***Conflicts of interests***

Conflicts of interests may arise *inter alia* due to the fact that (i) Younited will simultaneously act as Arranger, registrar for the Units and Custodian of the Compartment and (ii) Younited, Italian Branch will act as Originator, corporate service provider and quotaholder of the Issuer. It is possible that its interests pursuant to these various functions could diverge.

***Operational risk***

There is an operational risk with respect to Younited and Younited, Italian Branch due to the combination of their respective functions as respectively (i) Arranger, registrar for the Units and Custodian of the Compartment and (ii) Originator, corporate service provider and quotaholder of the Issuer.

### **3 PROTECTION MECHANISMS**

**3.1** Risks associated with the nature of the Issuer Units and the ability of the Compartment to fulfil its obligations are mitigated:

(a) by the Issuer's representations and warranties in the Issuer Units Subscription Agreement;

and

(b) by the start of the Accelerated Amortisation Period upon the occurrence of an Accelerated Amortisation Event which is continuing unremedied.

**3.2** For each Unit, no assurance can be given that the guarantees and protection measures that may be set up for the benefit of the Compartment will be sufficient, in all circumstances, to protect it against the risks described in these Compartment Regulations.

### **4 NAME**

The name of the Compartment is 'FCT Younited Italy - Compartment A'.

### **5 PURPOSE**

#### **5.1 Purpose**

**5.1.1** The purpose of the Compartment is to subscribe for all the Issuer Units that will be issued from time to time by the Issuer pursuant to the Issuer Units Subscription Agreement and issue Units in accordance with the provisions of these Compartment Regulations.

**5.1.2** The Compartment is not intended to be exposed to insurance risks or other risks by concluding financial contracts or contracts that transfer insurance risks.

#### **5.2 Acceptance of the Compartment Regulations**

**5.2.1** By subscribing for or purchasing a Unit issued by the Compartment, the subscriber or purchaser shall automatically be deemed to have accepted these Compartment Regulations, as well as any amendments that may be made thereto in accordance with the requirements of these Compartment Regulations.

**5.2.2** Therefore, it shall be the responsibility of each subscriber, purchaser or holder of a Unit issued by the Compartment to obtain prior information about the characteristics of (i) the Compartment and, in particular, about its assets, the Units and the rights attached thereto, as well as about its operating rules and the various parties that participate in the operations of the Compartment, and (ii) the Issuer and, in particular, about its assets, the Issuer Units and the rights attached thereto, as well as about the issuer's operating rules and the various parties that participate in the operations of the Issuer.

## **6 TERM**

- 6.1** The Compartment is established on the Initial Issue Date. The Compartment shall be wound up on the date that the last Issuer Unit subscribed by the Compartment is redeemed in full, and all sums due thereunder is repaid in full, or written-off or sold, or on the date of the occurrence of a Compartment Dissolution Event (the '**Dissolution Date**'), provided that on such date it is not intended that the Compartment will subscribe for new Issuer Units and issue new Units.
- 6.2** However, the Dissolution Date may be extended:
- (a) expressly, in accordance with the requirements of Clause 33 (*RENEWAL, TERMINATION AND AMENDMENT*); or
  - (b) tacitly, subject to the requirements set forth below.
- 6.3** The subscription by the Compartment of one or more Issuer Units whose final maturity dates fall due after the Dissolution Date shall automatically extend the Dissolution Date which shall be automatically replaced by the latest final maturity date of the Issuer Units then held by the Compartment.
- 6.4** The Dissolution Date may also be postponed by an express extension in accordance with the requirements of Clause 33 (*RENEWAL, TERMINATION AND AMENDMENT*).
- 6.5** The Compartment's term shall not exceed 99 years from the signature date of these Compartment Regulations.
- 6.6** The Management Company shall start the liquidation of the Compartment as from the Dissolution Date.
- 6.7** The Management Company, the Custodian and the statutory auditor shall continue to perform their duties until the completion of the Compartment liquidation operations after the Dissolution Date.

## **7 MANAGEMENT COMPANY**

### **7.1 Legal authority**

- 7.1.1** The Management Company shall manage the Compartment. It shall represent the Compartment in its dealings with third parties and in all legal proceedings, whether as a claimant or defendant. It shall take all measures it deems necessary or appropriate to defend the rights of the Compartment that arise from the Issuer Units and the contracts to which the Compartment is a party.
- 7.1.2** It is required to act in all circumstances in the interests of the Unitholders.
- 7.1.3** In the performance of its duties, the Management Company shall be liable for its own misconduct, but shall not be jointly liable with the Custodian.

## 7.2 Duties

7.2.1 In particular, the duties of the Management Company include (but are not limited to) the following duties:

- (a) it shall conclude the contracts necessary for the existence of the Compartment. It shall ensure proper performance of such contracts, as well as of the Compartment Regulations by the Compartment. If necessary, it shall renew or terminate such contracts in compliance with the laws and the applicable provisions of these Compartment Regulations and of said contracts;
- (b) it shall ensure that, in all contracts concluded on behalf of the Compartment (other than the Issuer Units Subscription Agreement), the other contracting party acknowledges that, pursuant to the statutes and regulations in force, it will be bound by the rules governing the allocation of available sums of the Compartment and that, consequently, it has no recourse against the Compartment over and above the available sums that the Compartment holds as assets, which may be allocated to the payment of sums owed on such date to the class of creditors to which it belongs, strictly in accordance with the applicable allocation of cash flow rules set out in Clause 23 (*CASH FLOW ALLOCATION*);
- (c) it shall appoint the statutory auditor and, if necessary, shall renew its term of office or replace it, in accordance with the requirements of the statutes and regulations in force;
- (d) on each Calculation Date, it shall calculate the Net Asset Value in accordance with the calculation rules set out in Schedule 7 to the Compartment Regulations, as well as the Unit Net Asset Value;
- (e) it shall perform the calculations referred to in Clause 23 (*CASH FLOW ALLOCATION*) and verify the amount of Costs and Fees;
- (f) it shall give all necessary instructions to the Custodian, or to any other credit institution with which an account has been opened in the name of the Compartment and acting by delegation of the Custodian, so that the debts of the Compartment are paid on their due date, up to the amount of the Compartment's available assets and in compliance with the applicable cash flow allocation rules set out in Clause 23 (*CASH FLOW ALLOCATION*);
- (g) it may decide to manage the available cash of the Compartment or, if necessary, appoint a cash manager to manage such available cash, in accordance with the provisions of these Compartment Regulations;
- (h) under the Custodian's control, it shall prepare all documents required to inform *inter alia* the Unitholders and the *Autorité des Marchés Financiers* in accordance with the laws in force;

- (i) it shall take all necessary or appropriate measures in the event of serious misconduct by the Custodian or the Custodian's inability to perform its duties and, if necessary, shall replace it in such cases; in particular, it may replace the Custodian in the event it breaches its legal or contractual obligations to the Compartment, subject to the conditions set forth in Clause 8.3 (*Replacement of the Custodian*);
- (j) it shall decide to wind up the Compartment if the requirements for such winding up, as provided for by the laws in force and/or the Compartment Regulations are met; it shall carry out liquidation operations for the Compartment;
- (k) it shall communicate to the Custodian, at its request, all information enabling it to perform its control duties and, if necessary, consult with it with respect to any difficulties it encounters in connection with its duties with a view to finding a solution within the required time periods;
- (l) it shall verify that sums owed to the Compartment under contracts to which it is a party are paid on the agreed dates and in the appropriate amounts and, if necessary, shall take all measures it deems appropriate to defend the interests of the Compartment under said contracts;
- (m) on each Calculation Date, it shall calculate the Maximum Commitment Reduction Amount and, in consequence thereof, shall decide whether or not to exercise the Commitment Reduction Option on each relevant Payment Date; and
- (n) it shall publish on its website ([www.eurotitrisation.fr](http://www.eurotitrisation.fr)) the General Regulations, these Compartment Regulations and the activity reports in relation to the Compartment.

**7.2.2** In the performance of its duties as set out in these Compartment Regulations, the Management Company shall comply with the vigilance and information requirements provided for by Book V, Title VI, of the French *Code monétaire et financier* with respect to anti-money laundering and counter-terrorism financing measures and the regulations adopted for the implementation thereof, as well as with Article L. 511-33 of the French *Code monétaire et financier* on professional secrecy.

### **7.3 Delegation**

The Management Company may delegate to a third party all or some of the administrative duties imposed on it by law or contract only within the limits and in accordance with the statutes and regulations in force and, in particular, by the *Règlement Général* of the *Autorité des Marchés Financiers*.

### **7.4 Replacement of the Management Company**

**7.4.1** The management of the Compartment may be transferred to another management company at any time during the Compartment's existence, provided the *Autorité des Marchés Financiers* is given prior notice thereof, and in compliance with the following requirements:

- (a) at the Custodian's initiative in the event the Management Company's licence to act as a management company for *organismes de titrisation* is withdrawn for any reason; such replacement shall be made in accordance with the requirements of the *Règlement Général* of the *Autorité des Marchés Financiers*; the Custodian shall inform the Unitholders of the early termination of the Management Company's duties and of the measures taken to replace it;
- (b) at the Custodian's initiative in the event of the Management Company's serious misconduct, if the Management Company is unable to perform its duties, or if insolvency proceedings have been or are about to be initiated against it, subject to the following conditions precedent:
  - (i) the Custodian shall use its best endeavours to find a new management company that is duly licenced to manage the Compartment;
  - (ii) no compensation shall be paid to the Management Company, and the remuneration of the Management Company shall be owed *pro rata temporis* only until the effective date of its replacement by the new management company;
  - (iii) the Unitholders shall be given prior notice of the early termination of the Management Company's duties and of the measures taken to replace it;
  - (iv) the Management Company shall be replaced in accordance with applicable statutes and regulations;
  - (v) the Management Company shall continue to perform its Management Company duties until its replacement by the new management company is effective, provided the new management company confirms, in writing, that it will assume all of the Management Company's functions, undertakings and duties and that it accedes to these Compartment Regulations or, if no replacement is found within six (6) months from the early termination of the Management Company's duties, until the expiry of such six (6) month period; and
  - (vi) the Management Company shall agree to cooperate with the Custodian and the new management company and use its best endeavours to implement all measures to enable the new

management company to assume all of the Management Company's functions, undertakings and duties.

- (c) at the Management Company's initiative, in compliance with the following requirements:
- (i) the Management Company shall give the Custodian notice, in writing, of its decision to terminate its Management Company duties at least four (4) months (or any other shorter time period agreed with the Custodian) before the effective date of the termination of its Management Company duties;
  - (ii) the Management Company shall cooperate with the Custodian in the selection of a new management company, which shall meet the requirements of Article L. 214-183-I of the French *Code monétaire et financier*;
  - (iii) no compensation shall be paid to the Management Company, and the remuneration of the Management Company shall be owed *pro rata temporis* only until the effective date of its replacement by the new management company;
  - (iv) the Unitholders shall be given prior notice of the Management Company's resignation, the measures taken to replace it and conditions of appointment of the new management company;
  - (v) the Management Company shall be replaced in accordance with applicable statutes and regulations;
  - (vi) the Management Company shall continue to perform its Management Company duties until its replacement by the new management company is effective, provided the new management company confirms, in writing, that it will assume all of the Management Company's functions, undertakings and duties and that it accepts these Compartment Regulations or, if no replacement is found within four (4) months from the Management Company's resignation, until the expiry of such four (4) month period; and
  - (vii) the Management Company shall agree to cooperate with the Custodian and the new management company and use its best endeavours to implement all measures to enable the new management company to assume all of the Management Company's functions, undertakings and duties.

If no new management company accepts to replace the existing management company under the conditions set out in this Clause 7.4.1(c), the Compartment shall then be liquidated within one (1) month as from the delivery of the prior notice to the *Autorité des Marchés Financiers* referred to in Clause 7.4.1.



## **7.5 Remuneration**

- 7.5.1** As remuneration for the performance of its duties as provided in these Compartment Regulations, the Management Company shall receive the Management Company Fees, in accordance with the provisions of Schedule 2.
- 7.5.2** This remuneration does not include any fees and expenses incurred for protecting the Compartment's interests which may be justified and subject to (i) prior information to the Custodian and (ii) if the Management Company determines that such fees and expenses are likely to have a negative impact on the Compartment and its ability to pay any amounts due to the Unitholders, prior consultation of the Unitholders.
- 7.5.3** The Management Company Fees shall be paid by the Arranger pursuant to the Fees Letter so long as an Arranger Event has not occurred. Upon the occurrence of an Arranger Event, the Management Company Fees shall be paid by the Compartment in accordance with the applicable Priority of Payments pursuant to the provisions of Schedule 6.
- 7.5.4** The Management Company may be paid certain exceptional fees, the amounts and terms of payment of which are described in Schedule 2.

## **8 CUSTODIAN**

### **8.1 Legal authority**

- 8.1.1** Pursuant to Article L. 214-183-II of the French *Code monétaire et financier*, the Custodian shall be the custodian of the Compartment's assets.
- 8.1.2** The Custodian shall ensure that the Management Company's decisions comply with applicable statutes and regulations, in accordance with the provisions of the *Règlement Général* of the *Autorité des Marchés Financiers*.
- 8.1.3** The Custodian shall perform the duties of registrar for the Units and ensure proper execution of the transactions in connection therewith.
- 8.1.4** The Custodian shall act in the best interest of the Unitholders.
- 8.1.5** The Custodian shall take all necessary or appropriate measures in the event of the Management Company's serious misconduct or if the Management Company is unable to perform its duties and, if necessary, shall terminate the Management Company's duties in accordance with the provisions of Clause 7.4 (*Replacement of the Management Company*).
- 8.1.6** In the performance of its duties, the Custodian shall be liable for its own misconduct, but shall not be jointly liable with the Management Company.
- 8.1.7** In addition to the duties that the Custodian owes to the Compartment and its assets, as described in Article 323-53 *et seq.* of the *Règlement Général* of the *Autorité des Marchés Financiers*, the Custodian shall:

- (a) on the Compartment's behalf, provide custody for the Compartment's assets in accordance with the provisions of Article D. 214-229 of the French *Code monétaire et financier*;
- (b) ensure that no bank account opened in the Compartment's name has an overdrawn balance and inform the Management Company of all transactions in connection with such accounts; and
- (c) deliver to the Management Company the information provided for in Articles 323-52 and 323-53 of the *Règlement Général* of the *Autorité des Marchés Financiers*.

**8.1.8** These Compartment Regulations constitute a 'custodian agreement' for the purposes of Article 323-53 of the *Règlement Général* of the *Autorité des Marchés Financiers*.

**8.1.9** The Custodian shall, subject to the Management Company's instructions, make payments to the Unitholders and perform all obligations to report information about actual interest payments made to beneficiaries that may be required by the tax authorities.

**8.1.10** In performing its duties as provided for in these Compartment Regulations, the Custodian shall comply with the vigilance and information requirements provided for by Book V, Title VI, of the French *Code monétaire et financier* with respect to anti-money laundering and counter-terrorism financing measures and the regulations adopted for the implementation thereof, as well as with Article L. 511-33 of the French *Code monétaire et financier* on professional secrecy.

## **8.2 Delegation**

Subject to applicable laws, and under its sole responsibility vis-à-vis the Unitholders, the Custodian may delegate all or some of its duties to a third party, other than its duty to control the regularity of the Management Company's decisions, provided:

- (a) the Custodian obtains from the delegate the waivers and undertakings referred to in Clause 9 (*SETTLEMENT BANK*);
- (b) such delegation complies with applicable statutes and regulations, in particular the *Règlement Général* of the *Autorité des Marchés Financiers*;
- (c) the Management Company gives its prior consent, in writing, to such delegation; however, such consent may be withheld only for a legitimate, serious and reasonable reason; and
- (d) the Custodian regularly and independently audits the delegate's performance of the duties delegated to it.

## **8.3 Replacement of the Custodian**

The Custodian's duties may or must be transferred to another credit institution at any time during the existence of the Compartment in the following circumstances:

- (a) at the Management Company's initiative in the event the Custodian's licence to act as a credit institution is withdrawn, if insolvency proceedings have been or are about to be initiated against it, subject to the following conditions precedent:
- (i) the Management Company shall use its best endeavours to find a new custodian that meets the requirements of Article L. 214-183-II of the French *Code monétaire et financier*;
  - (ii) no compensation shall be paid to the Custodian, and the remuneration of the Custodian shall be owed *pro rata temporis* only until the effective date of its replacement by the new custodian appointed by the Management Company;
  - (iii) the Unitholders shall be given prior notice of the early termination of the Custodian's duties, the measures taken to replace it and the conditions of appointment of the new custodian;
  - (iv) the Custodian shall be replaced by a new custodian appointed by the Management Company in accordance with applicable statutes and regulations;
  - (v) the Custodian shall continue to perform its duties as Custodian until its replacement by the new custodian is effective, provided the new custodian confirms, in writing, that it will assume all of the Custodian's functions, undertakings and duties and that it accedes to these Compartment Regulations or, if no replacement is found within six (6) months from the early termination of the Custodian's duties, until the expiry of such six (6) month period; and
  - (vi) the Custodian shall agree to cooperate with the Management Company and the new custodian appointed by it and use its best endeavours to implement all measures to enable the new custodian to assume all of the Custodian's functions, undertakings and duties and provide custody for the Compartment's assets in replacement of the Custodian.
- (b) at the Custodian's initiative, subject to the following conditions precedent:
- (i) the Custodian shall give the Management Company notice, in writing, of its decision to terminate its Custodian duties at least six (6) months before the effective date of the termination of its Custodian duties;
  - (ii) the Custodian shall propose a new credit institution, which must meet the requirements of Article L. 214-183-II of the French *Code monétaire et financier*, and which must agree to assume, under the same terms and conditions, the Custodian's duties as specified in the Compartment Regulations and in any other contract to which it is a party, and agree to be appointed as the new Compartment's custodian by the Management Company;

- (iii) no compensation shall be paid to the Custodian, and the remuneration of the Custodian shall be owed *pro rata temporis* only until the effective date of its replacement by the new custodian appointed by the Management Company;
- (iv) the fees owed to the new custodian must not result in the occurrence of a Material Adverse Change;
- (v) the Unitholders shall be given prior notice of the Custodian's resignation, the measures taken to replace it and the conditions of appointment of the new custodian;
- (vi) the Custodian shall be replaced in accordance with applicable statutes and regulations;
- (vii) the Custodian shall continue to perform its duties as Custodian until its replacement by the new custodian is effective, provided the new custodian confirms, in writing, that it will assume all of the Custodian's functions, undertakings and duties and that it accedes to these Compartment Regulations or, if no replacement is found within six (6) months from the Custodian's resignation, until the expiry of such six (6) month period; and
- (viii) the Custodian shall agree to cooperate with the Management Company and the new custodian appointed by it and use its best endeavours to implement all measures to enable the new custodian to assume all of the Custodian's functions, undertakings and duties and provide custody for the Compartment's assets in replacement of the Custodian.

## **8.4 Remuneration**

**8.4.1** As remuneration for the performance of its duties as provided in these Compartment Regulations, the Custodian shall receive the Custodian Fees, in accordance with the provisions of Schedule 2.

**8.4.2** This remuneration shall cover all expenses of the Custodian.

**8.4.3** The Custodian Fees shall be paid by the Arranger pursuant to the Fees Letter so long as an Arranger Event has not occurred. Upon the occurrence of an Arranger Event, the Custodian Fees shall be paid by the Compartment in accordance with the applicable Priority of Payments pursuant to the provisions of Schedule 6.

**8.4.4** The Custodian may be paid certain exceptional fees, the amounts and terms of which are described in Schedule 2.

## **9 SETTLEMENT BANK**

**9.1** Prior to the establishment of the Compartment, the Management Company instructed the Custodian to open the Compartment's General Account with Crédit

Mutuel Arkea, in its capacity as Settlement Bank, in accordance with the provisions of the Account Agreement.

- 9.2** A securities account may be opened in association with the General Account opened on behalf of the Compartment.
- 9.3** As of the date of these Compartment Regulations, the Settlement Bank is not rated. As of the date of these Compartment Regulations, the short-term rating of the Crédit Mutuel Arkéa group, to which the Settlement Bank belongs, is A1 (Standard & Poor's).
- 9.4** If at any time during the existence of the Compartment, the Settlement Bank breaches its legal or contractual obligations in connection with the operation of the Compartment, or if the short-term rating of the Crédit Mutuel Arkéa group is downgraded below A2 (Standard & Poor's), the Management Company shall, within a period of fifteen (15) calendar days from such event, terminate its relationship with the Settlement Bank and appoint a new credit institution to replace it, provided:
- (a) such credit institution is willing to perform the duties and comply with the obligations of the Settlement Bank under terms acceptable to the Management Company and the Custodian; and
  - (b) the new credit institution has a short-term rating of at least A2 (Standard & Poor's), F2 (Fitch) or P2 (Moody's).
- 9.5** As remuneration for the performance of the duties provided for in the Account Agreement, the Settlement Bank shall receive the Settlement Bank Fees, in accordance with the provisions of Schedule 2.

## **10 PLACING AGENT**

- 10.1** In accordance with the Placement Agreement, the Placing Agent has been appointed by the Compartment in relation to the placement without firm commitment and to professional investors only of the Units, pursuant to applicable French laws and regulations.
- 10.2** Subject to any provisions of the Placement Agreement, the Compartment shall have the option, but not the obligation, to issue Units the subscription of which shall be offered to the Placing Agent, and the Placing Agent shall have the option, but not the obligation, to subscribe for the Units, subject that the Placing Agent and the Management Company have reached an agreement on the relevant Terms and Conditions applicable to the issue of the relevant Units.
- 10.3** The Placing Agent shall represent the Unitholders in its dealings with third parties and, in particular, with the Compartment and/or the Management Company.
- 10.4** Any consultation of the Unitholders initiated by the Management Company in accordance with the relevant provisions of these Regulations and the General Regulations shall be organized and carried out by the Placing Agent, acting for the benefit of the Unitholders pursuant to the Placement Agreement.
- 10.5** As of the signature date of these Compartment Regulations, the Placing Agent is Younited.

## **11 CALCULATION AGENT**

**11.1** In accordance with the terms and conditions hereof, the Calculation Agent appointed by the Compartment shall:

- (a) for each Subscription Date or Subsequent Subscription Date, perform the calculations with respect to the Issuer Units subscribed and then held by the Compartment and the corresponding Units issued, and shall provide such information to the Management Company on the corresponding Information Date;
- (b) perform the calculations required by the Management Company in order to provide financial service for the Units; such calculations shall be reproduced in the Calculation Agent's Report, which the Calculation Agent shall deliver to the Management Company on each Information Date; and
- (c) deliver to the Management Company a Collections Report in connection with the amounts collected by the Issuer under the Receivables backing the Notes subscribed by the Compartment;
- (d) perform the calculations required by the Management Company in order to reduce the relevant Investor Commitments in the event the Compartment exercises its Commitment Reduction Option in accordance with the provisions of Clause 18 (*INVESTOR'S COMMITMENT*).

**11.2** As of the signature date of these Compartment Regulations, the Calculation Agent is Younited.

**11.3** As remuneration for the performance of its duties as provided for in these Compartment Regulations, the Calculation Agent shall receive the Calculation Agent Fees, in accordance with the provisions of schedule 2 (*Costs and Fees*) to the regulations of the Issuer.

## **12 STATUTORY AUDITOR**

**12.1** In accordance with the provisions of Article L.214-185 of the French *Code monétaire et financier*, the Management Company's board of directors shall appoint a statutory auditor for six (6) financial years. The appointment of the statutory auditor may be renewed pursuant to the same conditions.

**12.2** The statutory auditor shall carry out the checks and controls required by Article L.214-185 of the French *Code monétaire et financier*. In particular, the statutory auditor shall:

- (a) certify, whenever necessary, that the financial statements of the Compartment are true and accurate and shall verify the accuracy of the information contained in the management report;
- (b) report to the Management Company's senior management and the *Autorité des Marchés Financiers* any irregularities and inaccuracies it discovers in the performance of its duties; and

- (c) verify the periodic information that the Management Company provides to the Unitholders and prepare an annual report on the Compartment's financial statements for the Unitholders.

**12.3** As remuneration for the performance of its duties to the Compartment, the statutory auditor shall receive the Statutory Auditor Fees, in accordance with the provisions of Schedule 2.

**12.4** Mazars has been appointed as the Compartment's first statutory auditor.

## **13 GENERAL ORGANISATION OF THE COMPARTMENT'S ASSETS**

### **13.1 Composition of the assets**

The Compartment's assets shall be comprised of:

- (a) the Issuer Units from time to time subscribed for and then held by the the Compartment, including all rights attached to such Issuer Units; and
- (b) the cash of the Compartment and Financial Proceeds generated by the investment thereof.

### **13.2 Sales or pledges of its assets by the Compartment**

**13.2.1** In accordance with the laws in force, the Compartment is not entitled to pledge or otherwise encumber any of its assets.

**13.2.2** Issuer Units held by the Compartment, whether or not they have matured or been accelerated, may be sold:

- (a) if such sale is necessary or appropriate *inter alia* to enable the Compartment to fulfil its payment obligations under the Units, in which case the relevant Issuer Units shall be sold (including to the Seller) for their nominal value and, in the event that, within a period of 30 calendar days from the date they are offered for sale, no buyer has been found that is willing to pay a price equal to their nominal value, the relevant Issuer Units shall be sold for the best price offered on the relevant secondary market; and
- (b) if such sale concerns Issuer Units that have been written-off, the relevant Issuer Units shall be sold for at least a symbolic price of one (1) euro.

**13.2.3** The sale price for the Issuer Units shall be credited to the General Account on the date of the sale of such Issuer Units.

## **14 NATURE AND CHARACTERISTICS OF THE ISSUER UNITS**

The Issuer Units will be all the notes that will be issued from time to time by the Issuer pursuant to the relevant terms and conditions of such notes, as provided for in the Issuer Unit Subscription Agreement and which shall be backed by the relevant Receivables.

## **15 SUBSCRIPTION OF THE ISSUER UNITS**

- 15.1** The Compartment shall subscribe each Issuer Unit upon issue at an issue price equal to the nominal value of such Issuer Unit. The entire amount of such issue price shall be paid in full at once on the relevant issue date.
- 15.2** On each Information Date, the Calculation Agent shall communicate to the Management Company information about the subscription of Issuer Units by the Compartment that will occur on the next relevant issue date.
- 15.3** On the basis of this information, the Compartment shall fund the entire amount of the issue price of each Issuer Unit subscribed by it on such issue date from the proceeds of Units that it will in turn issue on such date.

## **16 CONDITIONS PRECEDENT TO THE SUBSCRIPTION OF ISSUER UNITS**

- 16.1** On each relevant issue date, the Compartment shall be bound to subscribe any Issuer Units newly issued by the Issuer provided the following conditions precedent have been satisfied on that date:
- (c) the Compartment was able to issue Senior Units and therefore, the Compartment is able to pay the entire amount of the issue price for such Issuer Units;
  - (d) the Senior Units that the Compartment issues to fund the issue price for such Issuer Units confer on the holders of such Senior Units the same rights as those conferred on other Senior Unitholders, except the specific rights specified in the Specific Terms and Conditions applicable to the relevant Senior Units; and
  - (e) no Accelerated Amortisation Event has occurred and is continuing unremedied.
- 16.2** The Compartment shall not subscribe for any additional Issuer Unit after the start of the Accelerated Amortisation Period.

## **17 ARRANGER EVENT**

- 17.1** Upon the occurrence of an Arranger Event, the Management Company shall:
- (a) terminate the duties of Younited as Calculation Agent and Custodian; and
  - (b) replace Younited as Custodian in accordance with the provisions of Clause 8.3 (*Replacement of the Custodian*).
- 17.2** In such case, Younited shall cooperate in good faith with the Management Company in order to enable the new custodian to perform its duties.

## **18 INVESTOR'S COMMITMENT**

- 18.1** In accordance with the terms of each Subscription Agreement, each Investor irrevocably undertakes (each, an '**Investor Commitment**') to subscribe for Senior



Units that the Compartment issues on each Issue Date, and to pay the portion of the Subscription Price to be paid on each relevant Issue Date and the portion of the Subscription Price to be paid at a later time as stated below.

- 18.2** Each Investor Commitment shall be limited to the total aggregate nominal amount in euros specified in the relevant Subscription Agreement (the '**Maximum Commitment Amount**').
- 18.3** In accordance with each Subscription Agreement, the portion of the Subscription Price owed by the relevant Investor on each Issue Date for the Senior Units for which the Investor is required to subscribe on each Issue Date pursuant to its Investor Commitment shall be paid by set-off against the Principal Repayment Amount that the Compartment owes the Investor on such date under the Senior Units that such Investor already holds and that are to be repaid on such date.
- 18.4** On each Issue Date during the Normal Amortisation Period on which the Compartment has Available Funds available after making the payments owed to the Senior Unitholders on such Issue Date in accordance with the cash flow allocation rules set out in Clause 23 (*CASH FLOW ALLOCATION*), if such Issue Date is also a Payment Date, the Compartment shall have the option of offering the Investor holding Senior Units that are not yet fully repaid on such Issue Date a reduction in its Maximum Commitment Amount (the '**Commitment Reduction Option**') in accordance with the provisions of this Clause. A reduction in the Maximum Commitment Amount may apply to a whole number of Units or to the fraction of Units of the Investor. Such reduction, if made in accordance with the provisions of this clause, shall be carried out by the Management Company on the basis of the Unit Net Asset Value of said Units, as calculated the week prior to the relevant reduction date. The Compartment may decide to exercise the Commitment Reduction Option on any given Issue Date (i) only after obtaining the prior agreement of both the Management Company and the Custodian and (ii) in any event, only if, on such Issue Date, the total amount of the reduction on such Issue Date does not exceed the total amount of the Compartment's Available Funds still available after making the payments owed to the Senior Unitholders on such Issue Date in accordance with the cash flow allocation set out in Clause 23 (*CASH FLOW ALLOCATION*) if such Issue Date is also a Payment Date (for each relevant date, the '**Maximum Commitment Reduction Amount**').
- 18.5** If the Investor wishes to take advantage of the Commitment Reduction Option exercised by the Compartment in accordance with the provisions of Clause 18.4, it shall submit a request therefor on the [www.younited-credit.com](http://www.younited-credit.com) website, and such requests shall either (i) be expressed in euros or (ii) indicate the number of Senior Units concerned by the Commitment Reduction Option. Any request that the Investor makes during a calendar month after the Compartment exercises its Commitment Reduction Option in accordance with Clause 29.4 shall be effective only on the Issue Date that is one (1) calendar month after the date on which the Investor makes such request. Any reduction in the Investor Commitment shall become irrevocable on the effective date of such reduction. Consequently, on each

Issue Date after the effective date of such reduction, the Compartment shall be entitled to use the Investor Commitment only up to the Maximum Commitment Amount of as reduced. If no reduction request is made after the Compartment exercises its Commitment Reduction Option in accordance with Clause 18.4, the portion of the Compartment's Available Funds still available on such Issue Date shall be retained by the Compartment and may be allocated to the payment of the issue price for Issuer Units that the Compartment owes to the Issuer on such Issue Date, if such Issue Date is also an Issuer Unit Subscription Date.

- 18.6** In the event that, for an Issue Date on which the Compartment exercises the Commitment Reduction Option in accordance with Clause 18.4, the amount of the Investor's reduction request exceeds the Maximum Commitment Reduction Amount calculated for such Issue Date, the amount of such reduction request shall be reduced accordingly, such that the total amount of the reduction of the Investor Commitment does not exceed the Maximum Commitment Reduction Amount calculated for such Issue Date. The Investor Commitment reduction thus reduced shall be expressed in euros (rounded to the next lowest euro).
- 18.7** The fraction of the requested Investor Commitment reduction that exceeds the Maximum Commitment Reduction Amount calculated for a particular Issue Date shall be automatically carried over to the next Issue Date on which the Compartment once again exercises the Commitment Reduction Option in accordance with Clause 18.4 and will be processed in the same manner as the reduction request received for processing on the previous relevant Issue Date. The Investor may not cancel reduction requests thus carried over. The Calculation Agent shall, as soon as possible, inform the Investor of the fraction of the Investor Commitment's reduction that has been carried over.

## **19 TERMS AND CONDITIONS APPLICABLE TO UNITS**

### **19.1 Terms and conditions common to all Units**

- 19.1.1** The Units that the Compartment issues are *instruments financiers* within the meaning of Article L.211-1 of the French *Code monétaire et financier* and *valeurs mobilières* within the meaning of Article L.211-2 of the French *Code monétaire et financier*.
- 19.1.2** As permitted by Article L.214-169 of the French *Code monétaire et financier*, the Compartment's Units may confer different rights to principal and interest.
- 19.1.3** Each Unit shall be issued shall be issued in a dematerialised form which can be a '*nominatif pur*' or '*nominatif administré*' form.
- 19.1.4** The Units issued or to be issued by the Compartment may, as the case may be, be divided into fractions of Units - tenths, hundredths, thousandths, ten-thousandths or even of millionth of Units - known as 'fractions of Units'. In the event Units issued by the Compartment are divided in 'fractions of Units', all provisions of these Compartment Regulations which apply to the Units equally applicable to those "fractions of Units".

**19.2** The Units are not and will not be rated, and are not and cannot be admitted for trading on a regulated market. Furthermore, the Units will not be the subject of a public offering, but of a private placement.

### **19.3 Senior Units Terms and Conditions**

**19.3.1** On the Initial Issue Date and on each Subsequent Issue Date, the Compartment shall issue senior units of the same class (the '**Senior Units**').

**19.3.2** The Senior Units shall be subscribed by the Investor, up to the then applicable Maximum Commitment Amount.

**19.3.3** The Senior Units General Terms and Conditions are set out in Schedule 3. For each Senior Unit, the Senior Units General Terms and Conditions shall in all cases be supplemented by Specific Terms and Conditions drafted in accordance with the template appended hereto in Schedule 4, in accordance with the requirements prescribed by the Senior Units General Terms and Conditions set out in Schedule 3.

### **19.4 Residual Units Terms and Conditions**

**19.4.1** On the Initial Issue Date, the Compartment shall issue two (2) residual units, the R1 Unit and the R2 Unit (the '**Residual Units**'), for the requirements of the co-owners' rights, in accordance with the provisions of Article R.214-221 of the French *Code monétaire et financier*.

**19.4.2** The Residual Units are subscribed by Younited.

**19.4.3** The Residual Units Terms and Conditions are set out in Schedule 5.

## **20 RIGHTS AND OBLIGATIONS OF UNITHOLDERS**

**20.1** Unitholders shall exercise the rights granted to shareholders by Articles L.823-6 and L.225-233 of the French *Code de Commerce*.

**20.2** Unitholders shall from time to time be informed of the operations of the Compartment, in accordance with the requirements of Clause 31 (*PERIODIC INFORMATION*) and 32 (*DISCLOSURE OF INFORMATION*).

**20.3** Unitholders shall be liable for the Compartment's debts only up to the issue price of their respective Units.

**20.4** Unitholders may not request that the Compartment redeem their Units.

**20.5** Each Unitholder may obtain from the Management Company, at no cost, a copy of these Compartment Regulations.

## **21 PAYMENTS TO UNITHOLDERS**

**21.1** On the basis of the Collections Report and the Calculation Agent's Report, which shall be delivered to the Management Company on each Information Date, the Management Company shall determine the amounts owed to the Unitholders and other parties in accordance with these Compartment Regulations, the Senior Units

General Terms and Conditions and Specific Terms and Conditions or, if applicable, the Residual Units Terms and Conditions, as well as, if applicable, the contracts that the Management Company has concluded on behalf of the Compartment and the Investor Commitment of each Investor.

- 21.2** All payments that the Compartment owes and that are to be paid, in whole or in part, using the Compartment's assets shall be paid by the Compartment pursuant to the Management Company's instructions.

## **22 BORROWINGS**

The Compartment does not borrow funds as of the Initial Issue Date. If the Management Company decides to conclude borrowings after the Initial Issue Date, the conditions for such borrowings shall be determined by the Management Company, and these Compartment Regulations shall be modified by an amendment in accordance with the provisions of Clause 33 (*RENEWAL, TERMINATION AND AMENDMENT*).

## **23 CASH FLOW ALLOCATION**

- 23.1** On each Calculation Date during the Normal Amortisation Period and the Accelerated Amortisation Period, the Management Company shall calculate the following amounts:

- (a) the Unit Net Asset Value of Senior Units;
- (b) the Available Funds;
- (c) the Financial Proceeds;
- (d) the Costs and Fees; and
- (e) the Net Asset Value.

- 23.2** The Management Company shall calculate the above amounts on each Calculation Date on the basis of (i) the information that the Calculation Agent reports in the Collections Report submitted to the Management Company, and (ii) the calculations in connection with servicing the Units that the Calculation Agent makes, in accordance with the calculation rules set out in this clause.

- 23.3** The Management Company shall calculate the Available Funds, which on any given Calculation Date shall equal the total amount of:

- (a) the Financial Proceeds available on the General Account on such Calculation Date;
- (b) the total cumulative amount of all sums that have actually been received from the Issuer under the Issuer Units in the General Account on such Calculation Date; and

- (c) all sums credited to the General Account on such Calculation Date that are not allocated to the payment of the issue price of Issuer Units that the Compartment owes to the Issuer.

**23.4** The Management Company shall calculate the amount of the Financial Proceeds on each Calculation Date, which shall equal the total amount of all Financial Proceeds available for the period between the previous Calculation Date (exclusive) and such Calculation Date (inclusive).

**23.5** The Management Company shall calculate the amount of Costs and Fees on each Calculation Date, which shall equal the share of Costs and Fees that the Compartment owes for the period between the previous Calculation Date (exclusive) and such Calculation Date (inclusive).

**23.6** All Unitholders shall be bound by any determination or calculation that the Management Company makes under these Compartment Regulations and, except if the Management Company commits gross negligence or fraud, it shall not be liable to any Unitholder.

**23.7** On each Payment Date, the Management Company shall carry out the necessary movements of funds and make the payments that the Compartment owes, in accordance with the Priority of Payments set out in Schedule 6. In accordance with the provisions of Article L.214-69 of the French *Code monétaire et financier*, the cash flow allocation rules set out in this clause shall apply to the Unitholders merely by the fact that they subscribed for or purchased their Units. Such rules shall also apply to the other creditors of the Compartment who accept them.

**23.8** Whenever an amount is scheduled to be withdrawn from the General Account on a given date (including on a Payment Date), such withdrawal shall be made only up to the credit balance of such account, such that the General Account at no time has an overdrawn balance.

## **24 COSTS AND FEES**

**24.1** A breakdown of the Costs and Fees is provided in Schedule 2. The Costs and Fees shall be paid directly by the Arranger so long as no Arranger Event has occurred. As of the occurrence of an Arranger Event, the Costs and Fees shall be paid by the Compartment in accordance with the applicable Priority of Payments set out in Schedule 6.

**24.2** The Parties agree that the Costs and Fees shall be revised by mutual agreement every fifth (5th) anniversary date of the signature date of these Compartment Regulations.

## **25 INDEMNIFICATION**

**25.1** In compensation for the duties performed by the Management Company, the Arranger shall reimburse the Management Company (i) the duly documented and reasonable expenses (in particular, the legal fees) (the '**Litigation Expenses**') that

the Management Company incurs in its capacity as Management Company as a result of any legal action in connection with the structure of the transaction that is initiated by a third party concerning the Fund, the Compartment, the Units or EuroTitrisation itself (in its capacity as Management Company of the Fund and the Compartment) (each, a '**Litigation**') as well as (ii) any costs, damages or other compensation, monetary award or penalty (the '**Judicial Costs and Penalties**'), that EuroTitrisation itself (in its capacity as Management Company of the Fund and the Compartment), is liable to pay pursuant to a Litigation, if such Litigation results in a court decision or arbitration award in favour of the relevant third party.

- 25.2** As from the occurrence of any Arranger Event, on each Payment Date during the Normal Amortisation Period or the Accelerated Amortisation Period, the Available Funds on such date shall be allocated to the payment of Litigation Expenses and/or Judicial Costs and Penalties in accordance with the Priority of Payments set out in Schedule 6.

## **26 GENERAL ACCOUNT**

- 26.1** The Management Company shall instruct the Custodian to open the General Account with Crédit Mutuel de Bretagne, acting in its capacity as Settlement Bank under the responsibility of the Custodian. A securities account may be associated with the General Account.
- 26.2** On the Initial Issue Date and on each Subsequent Issue Date, the proceeds generated by the issues of Residual Units and/or Senior Units shall be deposited into the General Account, which the Management Company, acting in the name and on behalf of the Compartment, shall allocate to paying the issue price of the Issuer Units owed by the Compartment to the Issuer in accordance with the cash flow allocation rules set out in Clause 23 (*CASH FLOW ALLOCATION*).
- 26.3** On the Initial Subscription Date and on each Subsequent Subscription Date, the Management Company shall give the Custodian the instructions necessary for the payment of the issue price of the Issuer Units that the Compartment owes to the Issuer to be withdrawn from the General Account on such date and to be credited to the Issuer's relevant account.
- 26.4** On each Payment Date during the Normal Amortisation Period and the Accelerated Amortisation Period, the General Account shall be credited with the sums received from the Issuer on such date under the Issuer Units.
- 26.5** On each Payment Date during the Normal Amortisation Period and the Accelerated Amortisation Period, the amount of sums that the Compartment owes to its creditors shall be withdrawn from the General Account, provided such sums have not already been paid by way of set-off in accordance with the applicable provisions of these Compartment Regulations and any other contract binding the Compartment, if any.

## **27 CASH INVESTMENT RULES**

- 27.1** The Management Company, or any entity acting under its control and responsibility, shall be entitled to invest sums that are temporarily available and not yet allocated that are credited to the General Account in accordance with the provisions of this clause.
- 27.2** Sums that are temporarily available and not yet allocated that are credited to the General Account may be invested, in accordance with the applicable laws, only in the following financial products or instruments:
- (a) deposits with a credit institution whose registered office is in a State that is a party to the European Economic Area agreement or a member of the Organisation for Economic Co-operation and Development, which may be repaid or withdrawn at any time at the Management Company's request;
  - (b) treasury bonds;
  - (c) the debt securities listed in Article R. 214 94, paragraph 2, provided they are admitted to trading on a regulated market in a State that is a party to the European Economic Area agreement, except securities that directly or indirectly confer rights to the equity of any company;
  - (d) negotiable debt securities;
  - (e) the units or shares of undertakings for collective investment in transferable securities invested primarily in the debt securities listed in paragraphs (b), (c) and (d) above;
  - (f) the units or shares of securitisation undertakings or similar entities under foreign law, other than its own units.
- 27.3** It is hereby agreed that such sums may also be invested in any other investments that may subsequently be authorised by the laws in force, without the need to amend these Compartment Regulations.
- 27.4** As of the signature date of these Compartment Regulations, the Management Company does not intend to appoint any cash manager for investing sums temporarily available of the Compartment. However, the Management Company may at any time decide to appoint a cash manager for managing the Compartment's available cash, in which case such cash manager shall act under the Management Company's control and responsibility.

## **28 DISSOLUTION AND LIQUIDATION**

- 28.1** The Compartment shall be dissolved on the Dissolution Date and liquidated at completion of the liquidation process which shall commence on the Dissolution Date.
- 28.2** The Management Company, the Custodian and the statutory auditor shall continue to perform their duties until the end of the Compartment's liquidation operations.

**28.3** The Management Company shall be responsible for liquidating the Compartment and, for such purpose, has the broadest possible powers to liquidate the Fund's assets and pay the Compartment's debts.

**28.4** The Management Company shall allocate the proceeds from the liquidation of the Compartment's assets to the creditors of the Compartment, in compliance with the provisions of Clause 23 (*CASH FLOW ALLOCATION*).

## **29 LIQUIDATION SURPLUS OR INSUFFICIENT ASSETS**

**29.1** In light of the Compartment's structure, no liquidation surplus is expected.

**29.2** Nevertheless, in the event there is a liquidation surplus after the Compartment is liquidated, such liquidation surplus shall be allocated to the Residual Unitholders.

**29.3** If after the last Issuer Unit that the Compartment holds has been repaid in full, written-off or sold, the Management Company determines that the available cash of the Compartment (including the proceeds from the sale of the investments made on behalf of the Fund) is insufficient to pay all debts that the Compartment owes and/or to pay sums still owed pursuant to the applicable cash flow allocation rules, the Management Company shall inform the Unitholders and/or the other creditors that have not yet been repaid that the Compartment's liquidation operations have been completed and have failed to generate sufficient assets.

## **30 ACCOUNTING RULES**

**30.1** Each year, the Management Company shall prepare the Compartment's financial statements in accordance with applicable laws.

**30.2** The financial year shall last twelve (12) months, and shall begin on 1 January and end on 31 December.

**30.3** As an exception to the foregoing, the first financial year of the Compartment shall begin on the Initial Issue Date and end on 31 December 2017.

**30.4** For accounting purposes, the value of each Issuer Unit that is held by the Compartment in each calendar month shall be determined on each Account Closing Date.

## **31 PERIODIC INFORMATION**

**31.1** At the end of each financial year, under the Custodian's control, the Management Company shall prepare the Compartment's accounting documents, the list of which is set out in the instructions of the *Autorité des Marchés Financiers*.

**31.2** No later than four (4) months after the end of each financial year, under the Custodian's control and after verification by the statutory auditor, the Management Company shall prepare and publish a report on the Compartment's activities during the financial year, the content of which is set out in the instructions of the *Autorité des Marchés Financiers*.



## **32 DISCLOSURE OF INFORMATION**

- 32.1** Any Unitholder may obtain from the Management Company, at no cost, the General Regulations and these Compartment Regulations.
- 32.2** Any Unitholder may obtain from the Management Company and the Custodian, at no cost, the activity reports referred to in Clause 31 (*PERIODIC INFORMATION*) as from the time they are published.
- 32.3** The above information shall be posted on the websites of the Management Company ([www.eurotitrisation.fr](http://www.eurotitrisation.fr)) and of the Custodian ([www.younited-credit.com](http://www.younited-credit.com)). It shall also be sent to the *Autorité des Marchés Financiers* in accordance with applicable laws.
- 32.4** The Management Company shall publish all information concerning the Issuer Units and the management of the Compartment on the medium it deems the most appropriate to provide the most complete and precise information to the Unitholders. The Management Company shall publish any additional information as frequently as it deems most appropriate in light of the circumstances affecting the Compartment.
- 32.5** The Management Company shall be responsible for responding to any requests for information that may be made by the Unitholders and the *Autorité des Marchés Financiers*.

## **33 RENEWAL, TERMINATION AND AMENDMENT**

- 33.1** The Management Company shall decide to renew, terminate or amend the contracts to which the Compartment is a party, which shall be made in a writing document signed by both the Management Company and the Custodian.
- 33.2** These Compartment Regulations (including the schedules) may be amended only by a written amendment signed by both the Custodian and the Management Company and in accordance with the requirements of clause 25 (*Amendments*) of the General Regulations.

## **34 GOVERNING LAW**

These Compartment Regulations are governed by French law.

## **35 JURISDICTION**

The management Company and the Custodian irrevocably agrees that the *Tribunal de Commerce de Paris* shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with these Compartment Regulations, including but not limited to, their validity, effect, interpretation or performance and for such purposes irrevocably submits to the jurisdiction of such court.

## **Schedule 1**

### **Definitions**

**‘Accelerated Amortisation’** means the stop subscription of further Issuer Units by the Compartment after the occurrence of an Accelerated Amortisation Event which is continuing unremedied at the expiry of the agreed grace period.

**‘Accelerated Amortisation Event’** means any of the following events:

- (i) the Compartment fails to pay any sum owed to any of its creditors (other than Unitholders) on the agreed due date, and this non-payment is not cured within a grace period of ninety (90) Business Days;
- (ii) Younited fails to pay the fees agreed in the Fees Letter, and this non-payment is not cured within a grace period of ninety (90) Business Days;
- (iii) a Compartment Dissolution Event occurs;
- (iv) a Material Adverse Change occurs;
- (v) a Tax Event occurs; or
- (vi) an Arranger Event occurs; or
- (vii) any Issuer Unit is accelerated subject to and in accordance with the relevant terms and conditions applicable to such Issuer Unit.

**‘Accelerated Amortisation Period’** means the amortisation period of the Senior Units, from the date an Accelerated Amortisation Event occurs until the date on which the Compartment’s liquidation operations have been completed.

**‘Account Agreement’** means the account agreement entered into on or around the date hereof between the Settlement Bank and the Management Company, which provides for the operating terms and conditions for the General Account, as such agreement may be supplemented and/or amended if applicable.

**‘Account Closing Date’** means the last day of each calendar month.

**‘Actual Interest Amount’** means, in the case of a particular Senior Unit, the amount of interest accrued under such Senior Unit that the Compartment owes to the holder of said Senior Unit and that the Compartment must pay to such holder in a deferred manner pursuant to the provisions of Clause F of the General Terms and Conditions (*Interest*).

**‘Arranger’** means Younited, acting in its capacity as arranger for the structuring of the Compartment and its activities.

**‘Arranger Event’** means the date on which any of the following events first occurs:

- (a) the expiry of a period of thirty (30) consecutive days during which the amount of Younited’s shareholders’ equity falls below €2,200,000 (two million two hundred thousand euros);
- (b) Younited ceases making payments, is dissolved or ceases doing business;

- (c) an order initiating any of the procedures provided for in Book VI of the French Commercial Code against Younited, after notice to the *Autorité de Contrôle Prudentiel et de Résolution* in application of the provisions of Article L.613-27 of the French *Code monétaire et financier*; or
- (d) Younited files a petition with the *Autorité de Contrôle Prudentiel et de Résolution* requesting that its authorisation be withdrawn.

**‘Available Funds’** means, on any given date, the amount equal to the sum of:

- (i) the Financial Proceeds available on the General Account on such date;
- (ii) the total cumulative amount of all sums that have actually been received from the Issuer under the Issuer Units in the General Account on such date; and
- (iii) all sums credited to the General Account on such date that are not allocated to the payment of the issue price of Issuer Units that the Fund owes to the Seller.

**‘Borrower’** means any borrower that has concluded a loan agreement with the Originator.

**‘Business Day’** means a day other than a public holiday, a Saturday or a Sunday on which payments in euros are made on the Paris interbank market and which is a TARGET2 Business Day.

**‘Calculation Agent’** means Younited acting in its capacity as calculation agent, in accordance with the provisions of the Compartment Regulations.

**‘Calculation Agent Fees’** means the calculation agent fees described in schedule 2 (*Costs and Fees*) to the regulations of the Issuer.

**‘Calculation Agent Report’** means the report containing all calculations that the Calculation Agent makes for purposes of the financial service of the Senior Units for a particular Interest Period, and which the Calculation Agent delivers to the Management Company on each Calculation Date.

**‘Calculation Date’** means each business day prior to any Issue Date during which the Calculation Agent calculates the Unit Net Asset Value of each Senior Unit.

**‘Collections Report’** means the report on the collection of Loans for the relevant collections period that the Calculation Agent delivers, in accordance with the provisions of these Compartment Regulations, to the Management Company on each Calculation Date.

**‘Compartment’** means the compartment that is the subject of these Compartment Regulations and whose name is “FCT Younited Italy - Compartment A”.

**‘Compartment Dissolution Event’** means any of the following events:

- (i) it becomes illegal for the Compartment to fulfil any of its obligations under any of the contracts to which it is a party;
- (ii) the Management Company is not replaced in accordance with the provisions of the Compartment Regulations within a period of six (6) months from its resignation or the early termination of its duties; or

- (iii) the Custodian is not replaced in accordance with the provisions of the Compartment Regulations within a period of six (6) months from its resignation or the early termination of its duties.

**‘Compartment Regulations’** means the regulations specifically applicable to the Compartment. The Compartment Regulations are an integral part of the Fund Regulations.

**‘Costs and Fees’** means all Management Company Fees, Custodian Fees, Statutory Auditor Fees, Settlement Bank Fees and Exceptional Expenses. Costs and Fees are described in detail in Schedule 2.

**‘Custodian’** means Younited, in its capacity as custodian of the Compartment’s assets, within the meaning of Article L.214-183-I of the French *Code monétaire et financier*.

**‘Custodian Fees’** means the Custodian fees described in Schedule 2 of the Compartment Regulations.

**‘Dissolution Date’** has the meaning given thereto in Clause 6 (TERM) of the Compartment Regulations.

**‘Exceptional Expenses’** means any expense that the Compartment is obliged to incur in the interests of the Unitholders (including, in particular, audit fees and legal fees).

**‘Fees Letter’** means the letter pursuant to which Younited undertakes to pay and/or reimburse the Costs and Fees described in Schedule 2.

**‘Financial Proceeds’** means the financial proceeds (including *inter alia* dividends, interest, capital gains and interest rate differentials) generated by the investment of the cash available on the General Account.

**‘Founders’** means the Management Company and the Custodian, in their capacity as founders of the Compartment.

**‘Fund’** means the *fonds commun de titrisation à compartiments* named ‘FCT Younited Italy’.

**‘Fund Regulations’** means the Fund regulations prepared by the Management Company and the Custodian in accordance with the French *Code monétaire et financier*, in particular Article L.214-175 thereof. The General Regulations and the Compartment Regulations are an integral part of the Fund Regulations.

**‘General Account’** means the Compartment’s general account opened with Crédit Mutuel de Bretagne pursuant to the Account Agreement.

**‘General Regulations’** means the terms and conditions of the Fund Regulations generally applicable to all compartments of the Fund. The General Regulations are an integral part of the Fund Regulations.

**‘General Terms and Conditions’** means the general terms and conditions applicable to any Senior Unit that the Compartment issues or will issue, as set out in Schedule 3 to the Compartment Regulations.

**‘Initial Issue Date’** means a date chosen by the mutual agreement of Younited and the Management Company.

**‘Initial Subscription Date’** means a date chosen by mutual agreement of Younited and the Management Company.

**‘Information Date’** means a date two (2) Business Days before the Initial Subscription Date and any Subsequent Subscription Date, which is the date on which Younited, acting in its capacity as Calculation Agent, shall deliver to the Management Company (i) information about the subscription of Issuer Units that will occur on the Initial Subscription Date or the following Subsequent Subscription Date and the issue of the corresponding Units, (ii) the Unit Net Asset Value of each Senior Unit as calculated on the Calculation Date prior to the relevant Information Date, and (iii) the amount of Available Funds on that date.

**‘Interest Period’** means, for the purposes of calculating the Actual Interest Amount for a particular Senior Unit, the period between the Issue Date of such Senior Unit (inclusive) and the first Payment Date following such Issue Date (exclusive).

**‘Interest Period End Date’** means, in the case of a particular Senior Unit, the Payment Date on which the Interest Period applicable to said Senior Unit ends.

**‘Investor’** means any investor holding an Investor Commitment.

**‘Investor Commitment’** means the undertaking of any Investor to subscribe for the Senior Units that the Compartment issues on each Issue Date, up to its Investor Maximum Commitment Amount.

**‘Investor Commitment End Date’** means the Issue Date on which any Investor Commitment is reduced to zero as a result of such Investor’s successive requests, if applicable, to reduce its Investor Commitment following the Management Company’s exercise, on each relevant Issue Date, of its Commitment Reduction Option, in accordance with the requirements of Clause 18 (INVESTOR’S COMMITMENT) of the Compartment Regulations.

**‘Issue Date’** means the Initial Issue Date or a Subsequent Issue Date.

**‘Issuer’** means Younited Italy, a *fondo di investimento alternativo mobiliare chiuso riservato* established under Italian law by EuroTitrisation on the date hereof.

**‘Issuer Unit’** means any note at any time issued by the Issuer pursuant to the Issuer Unit Subscription Agreement.

**‘Issuer Unit Subscription Agreement’** means the agreement dated on or around the date hereof entered into by the Compartment represented by the Management Company and the Issuer.

**‘Issuer Unit Subscription Date’** means each issue date on which the Compartment is subscribing for Issuer Unit subject to, and in accordance with, the Issuer Unit Subscription Agreement.

**‘Judicial Costs and Penalties’** has the meaning given thereto in Clause 24 of the Compartment Regulations.

**‘Litigation Expenses’** has the meaning given thereto in Clause 24 of the Compartment Regulations.

**‘Management Company’** means EuroTitrisation, in its capacity as the company appointed to manage the Fund and the Compartment, within the meaning of Article L. 214-183.-II of the French *Code monétaire et financier*.

**‘Management Company Fees’** means the Management Company fees described in Schedule 2 of the Compartment Regulations.

**‘Material Adverse Change’** means any material change in the level of risk inherent to a Senior Unit. Such change shall be deemed to have occurred if the Management Company determines that the Compartment has borrowed funds in an amount greater than one (1) time the total outstanding amount of Senior Units issued by the Compartment and not yet amortised.

**‘Maturity’** means:

- (a) in the case of a particular Senior Unit, the period between the Issue Date on which such Senior Unit was issued (inclusive) and the Maturity Date (exclusive) of such Unit; and
- (b) in the case of a Residual Unit, the period between the Initial Issue Date (inclusive) and the date on which the Compartment’s liquidation operations end (exclusive).

**‘Maturity Date’** means:

- (a) with respect to a given Senior Unit, the maturity date on which such Senior Unit and all interest thereon shall have been redeemed in full by the Compartment to the relevant Unitholder, as such date shall be specified in the Specific Terms and Conditions applicable to such Senior Unit; and
- (b) with respect to a Residual Unit, the date on which the liquidation operations for the Compartment are completed, for all Compartment liquidation situations provided for in the Compartment Regulations.

**‘Maximum Commitment Amount’** has the meaning given thereto in Clause 18.2 of the Compartment Regulations.

**‘Maximum Commitment Reduction Amount’** has the meaning given thereto in Clause 18.4 of the Compartment Regulations.

**‘Minimum Contractual Interest Rate’** means, in the case of a Senior Unit, the minimum interest rate that the Compartment owes the holder of such Senior Unit pursuant to the applicable Senior Unit Specific Terms and Conditions.

**‘Net Asset Value’** means the net value of the Compartment’s assets, as calculated by the Management Company on each Calculation Date in accordance with the calculation principles set out in Schedule 7 to the Compartment Regulations.

**‘Nominal Amount’** means the nominal amount of each Unit, as established on the Issue Date of such Unit. The nominal amount of each Residual Unit shall be €150.

**‘Normal Amortisation Period’** means the amortisation period of the Senior Units, from the Initial Issue Date to the date on which the Compartment’s liquidation operations have been completed, so long as no Accelerated Amortisation Event has occurred.

**‘Originator’** means Younited, Italian Branch, an Italian law *Societa costituita in base a leggi di altro stato*, whose registered office is located via Sardegna 40, 00187 Roma, Italy, registered with the Trade and Companies Registry of Roma, in its capacity as the originator of each Receivable transferred to the Issuer.

**‘Payment Date’** means, in the case of a given Senior Unit, the Issue Date that follows the Issue Date of the relevant Senior Unit and that corresponds to (i) the date on which the Management Company pays the Principal Repayment Amount under said Senior Unit and (ii) the date on which the Actual Interest Amount of said Senior Unit is owed by the Compartment under said Senior Unit, payment of which to the relevant Investor shall be deferred by the Compartment as provided in the Senior Units General Terms and Conditions. If such date is not a Business Day, the relevant Payment Date shall be postponed until the next Business Day.

**‘Placement Agreement’** means the placement agreement entered into on the date hereof between the Custodian, the Management Company and the Placing Agent, which sets out the terms and conditions applicable to the mandate of the Placing Agent, as supplemented and/or amended if applicable.

**‘Placing Agent’** means Younited, acting in its capacity as placing agent, in accordance with the provisions of the Placement Agreement.

**‘Placing Agent Fees’** means the Placing Agent fees described in Schedule 2.

**‘Principal Repayment Amount’** means, in the case of a particular Senior Unit, the principal amount that the Compartment owes the holder of such Senior Unit and that the Compartment is required to pay such holder on the Maturity Date of such Senior Unit, (i) either by a set-off against the portion of the Subscription Price of new Senior Units that such Investor subscribes and that must be paid on such date, in accordance with its Investor Commitment and in accordance with the terms and other conditions provided in the relevant Subscription Agreement, or (ii) using Available Funds that the Compartment may allocate on such date to the repayment of the principal of such Senior Unit, in accordance with the applicable cash flow allocation rules set out in Clause 23 (*CASH FLOW ALLOCATION*).

**‘Priority of Payments’** means the order of priority for payments that the Compartment owes its creditors, as set out in Clause 23 (*CASH FLOW ALLOCATION*).

**‘Receivable’** means each existing loan receivable transferred by the Originator to the Issuer and backing the Issuer Units.

**‘Residual Unit’** means each residual unit that the Compartment issues in accordance with the Compartment Regulations.

**‘Senior Unit’** means any senior unit that the Compartment issues in accordance with the Compartment Regulations.

**‘Settlement Bank’** means the credit institution with which the General Account, and any other bank account that may be opened, is opened in the Compartment’s name. As of the signature date of the Compartment Regulations, the Settlement Bank is *Crédit Mutuel de Bretagne*.

**‘Settlement Bank Fees’** means the Settlement Bank fees described in Schedule 2 of the Compartment Regulations.

**‘Signature Date’** means the signature date of these Compartment Regulations.

**‘Specific Terms and Conditions’** means the specific terms and conditions applicable specifically to each Senior Unit that the Compartment has issued or will issue, and which the Management Company shall draft in a form in accordance with the template appended hereto as Schedule 4 to the Compartment Regulations.

**‘Statutory Auditor Fees’** means the statutory auditor fees described in Schedule 2 of the Compartment Regulations.

**‘Subscription Agreement’** means the subscription agreement to be entered into by each Investor establishing the terms and conditions of the applicable Investor Commitment of any such Investor.

**‘Subscription Date’** means the Initial Subscription Date or any Subsequent Subscription Date.

**‘Subscription Price’** means the subscription price for a Senior Unit, which shall be equal to the Nominal Amount of such Senior Unit.

**‘Subsequent Issue Date’** means each Thursday (or any other Business Day(s) chosen by the mutual agreement of the Management Company and the Custodian) after the Initial Issue Date, which is the date on which the Compartment may, pursuant to the provisions of the Compartment Regulations, issue Senior Units to replace Senior Units that are to be repaid on such Subsequent Issue Date. The Management Company shall establish the Specific Terms and Conditions of each of these new Senior Units on the Subsequent Issue Date on which said Senior Units are issued.

**‘Subsequent Subscription Date’** means each Thursday (or any other Business Day(s) chosen by mutual agreement of the Management Company and the Custodian) after the Initial Subscription Date, which is the date on which the Compartment will subscribe Issuer Units subject to, and in accordance with, the Issuer Unit Subscription Agreement.

**‘TARGET2 Business Day’** means a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer 2 (TARGET2) System is open.

**‘Tax Event’** means the creation of a new tax or levy after the Initial Issue Date that is imposed on the Compartment’s Available Funds or the payments that the Compartment owes to the Unitholders.



**'Unit'** means any Senior Unit or Residual Unit that the Compartment issues in accordance with the Compartment Regulations.

**'Unitholder'** means any holder, from time to time, of one or several Units.

**'Unit Net Asset Value'** means the Net Asset Value, as calculated by the Management Company on each relevant Calculation Date in accordance with the applicable provisions of the Compartment Regulations, divided by the number of then outstanding Senior Units and rounded to the lowest fourth decimal place.

## **Schedule 2. Costs and Fees**

### **Management Company Fees**

As from the fifth anniversary date of the Initial Issue Date, the Management Company's fees will be adjustable, based on the positive fluctuations of the Syntec index.

As remuneration for the performance of its duties, the Management Company shall receive an annual management fee that is owed pro rata, shall be paid on each Payment Date and shall be equal to the sum of:€15 000 per annum.

Each Subsequent Subscription Date shall incur payment of a management fee of €150 per Subsequent Subscription Date, which shall be owed and paid on each of the Payment Dates corresponding to each additional transfer.

For all exceptional duty in relation to the Compartment, in particular in the event Younited fails to perform any of its duties as a Calculation Agent, the Management Company shall receive an exceptional fee calculated on the basis of time spent, which shall be owed and paid within a period of thirty (30) Business Days, upon production of an invoice and the corresponding supporting documentation. This exceptional fee shall be calculated on the basis of the following rate schedule:

- (a) Member of senior management: €250 per hour;
- (b) Experienced management employee: €150 per hour; and
- (c) Other employee: €75 per hour.

In the event of a change in the Unit issuance structure or an amendment to the documentation, a management fee shall be negotiated in advance with Younited.

The Management Company shall be reimbursed upon presentation of the relevant documents the amount of fees of all types (including any fees of tax due to any French authority) that may be owed by the Compartment or the Management Company in connection with the creation and management of the Compartment.

The Management Company shall be reimbursed upon presentation of the relevant documented invoices the amount of fees corresponding to its representation in France or in relation to any legal proceedings in Italy to which the Management Company, acting on behalf of the Compartment, is brought.

The Management Company shall be reimbursed annually with:

- (a) the amounts due to the INSEE in connection with the attribution of a legal entity identifier to the Compartment, which are currently equal to (i) 150 Euros for the first year and (ii) 50 Euros each on an ongoing basis;
- (b) the annual fee (*redevance*) to the AMF equal to 0.0008 per cent of the principal outstanding amount of the Units.

### **Statutory Auditor Fees**

As remuneration for the performance of its duties, each year, the statutory auditor shall be paid a fee in the amount of €3,000 (including VAT), provided an invoice is received.

### **Custodian Fees**

As remuneration for the performance of its duties, the Custodian shall receive a fee of € 1,000 (including VAT) per year, which shall be owed and paid pro rata on each Payment Date. The custodian's fee includes the remuneration paid to any delegates or subcontractors the Custodian may appoint, without the Compartment incurring any liability in this respect.

### **Exceptional Expenses**

Expenses that the Compartment may be obliged to incur in the interest of the Unitholders, as defined in Schedule 1 of the Compartment Regulations, which shall be owed and paid within a period of thirty (30) Business Days from the production of an invoice and the corresponding supporting documentation.

### **Settlement Bank Fees**

As remuneration for the performance of its duties as provided in the Account Agreement, and in order to cover all of its expenses in connection with said duties, the Settlement Bank shall receive Settlement Bank Fees in the amount specified in the Account Agreement.

### **Schedule 3**

#### **Senior Units General Terms and Conditions**

For the purposes of this schedule, the capitalised terms defined hereafter shall have the meanings given thereto below or, failing this, in Schedule 1 of the Compartment Regulations.

By subscribing for or purchasing a particular Senior Unit issued by the Compartment on the Initial Issue Date or any Subsequent Issue Date, the relevant Unitholder shall automatically be deemed to have accepted, without any reservation, condition or formality:

- (i) all of the Senior Units General Terms and Conditions, as described in this schedule;
- (ii) all of the Senior Units Specific Terms and Conditions agreed for the relevant Senior Unit; and
- (iii) all provisions of the Compartment Regulations.

#### **A. FORM AND TITLE**

- (i) The Senior Units that the Compartment issues are *instruments financiers* within the meaning of Article L. 211-1 of the French *Code monétaire et financier*, and *valeurs mobilières* within the meaning of Article L. 211-2 of the French *Code monétaire et financier*.
- (ii) Each Senior Unit shall be issued in a dematerialised form which can be a 'nominatif pur' or 'nominatif administré' form.
- (iii) The Senior Units shall be given an ISIN code no later than the Initial Issue Date.
- (iv) The Senior Units are not and will not be rated, and are not and cannot be admitted for trading on a regulated market. Furthermore, the Senior Units will not be the subject of a public offering, but of a private placement.
- (v) The Senior Units issued or to be issued by the Compartment may, as the case may be, be divided into fractions of Senior Units - tenths, hundredths, thousandths, ten-thousandths or even of millionth of Senior Units - known as 'fractions of Senior Units'. In the event Senior Units issued by the Compartment are divided in 'fractions of Senior Units', all provisions of these Compartment Regulations which apply to the Senior Units are equally applicable to the 'fractions of Senior Units'.

#### **B. NOMINAL VALUE**

The nominal value of each Senior Unit shall be specified in the Senior Unit Specific Terms and Conditions applicable to the relevant Senior Unit.

**C. MATURITY**

Each Senior Unit has a Maturity that covers the period between its Issue Date and the Maturity Date specified in the Senior Unit Specific Terms and Conditions applicable to such Senior Unit.

**D. SPECIAL TERMS AND CONDITIONS**

Senior Units may be issued on the Initial Issue Date or any Subsequent Issue Date.

Each Investor shall subscribe for each Senior Unit pursuant to the provisions of its Subscription Agreement.

Each Senior Unit shall in all cases be governed by the Senior Units General Terms and Conditions and the Senior Units Specific Terms and Conditions applicable to such Senior Unit. The Senior Unit General Terms and Conditions and such Senior Units Specific Terms and Conditions form an indivisible contractual whole.

**E. RANK**

- (i) On each relevant Payment Date, the Compartment shall pay amounts owed, as principal or interest, under the Senior Units before paying amounts owed, as principal or interest, under the Residual Units, in accordance with the cash flow allocation rules set out in Clause 23 (*CASH FLOW ALLOCATION*) of the Compartment Regulations.
- (ii) The Compartment does not intend to issue new debt instruments and/or units with a rank higher than the Senior Units.

**F. INTEREST**

- (i) The Senior Unit Specific Terms and Conditions applicable to a particular Senior Unit shall in all cases specify the Issue Date, the Minimum Contractual Interest Rate, the Nominal Value and Maturity of such Senior Unit.
- (ii) The principal amount of each Senior Unit shall bear interest during the entire Interest Period. The Actual Interest Amount that the Compartment owes under a Senior Unit shall not be less than the Minimum Contractual Interest Rate applied to the principal of the relevant Senior Unit. Such Actual Interest Amount payable under a Senior Unit shall be calculated by the Calculation Agent on the Information Date that precedes the Interest Period End Date applicable to the relevant Senior Unit, and shall be equal to the difference between such Senior Unit's Net Asset Value, calculated on said Information Date, and such Senior Unit's Nominal Amount on its Issue Date.
- (iii) During the Normal Amortisation Period or the Accelerated Amortisation Period, the Actual Interest Amount that the Compartment owes under a given Senior Unit shall be owed on the Interest Period End Date applicable to the relevant Senior Unit.
- (iv) The Compartment shall defer making payment to any Investor of the Actual Interest Amount that the Compartment owes to any Investor on any Payment

Date pursuant to the provisions of the Compartment Regulations until the Investor Commitment End Date of such Investor. Such payment shall be made by a set-off against the portion of the Subscription Prices owed by such Investor on such date.

- (v) The cash flow allocation rules applicable to the Compartment for purposes of paying interest owed under the Senior Units are set out in Clause 23 (*CASH FLOW ALLOCATION*) of the Compartment Regulations.

#### **G. AMORTISATION**

- (i) During the Normal Amortisation Period, each Senior Unit shall be repaid in an amount equal to its total principal amount, on its Maturity Date (i.e. the Payment Date following the Issue Date of said Senior Unit), provided there are sufficient Compartment's Available Funds on such date, and subject to the provisions of Clause I of the General Terms and Conditions (*Limited Recourse*).
- (ii) The Compartment shall pay the Principal Repayment Amount that it owes to any Investor on any Payment Date pursuant to the provisions of the Compartment Regulations by way of set-off against the portion of the Subscription Price that such Investor owes to it on such date. The payment of any balance owed shall be deferred until the Investor Commitment End Date of such Investor, in accordance with the applicable provisions of the Subscription Agreement entered into by such Investor.
- (iii) As an exception to the foregoing provisions, if at any time the Management Company becomes aware that an Accelerated Amortisation Event has occurred, it shall immediately stop the subscription of further Issuer Units by the Compartment and shall proceed to the early repayment of the Senior Units in an amount equal to the then Compartment's relevant Available Funds, and in accordance with the applicable Priority of Payments, as of the Payment Date after the date on which it becomes aware of the occurrence of such Accelerated Amortisation Event, and on any subsequent Payment Date until the date on which the Compartment's liquidation operations will have been completed. The start of the Accelerated Amortisation is irreversible.
- (iv) The cash flow allocation rules applicable to the Compartment for purposes of amortising the principal of the Senior Units are set out Clause 23 (*CASH FLOW ALLOCATION*) of the Compartment Regulations.

## H. PAYMENTS

- (i) The payments of the Principal Repayment Amount that the Compartment owes under the Senior Units shall be made by the Compartment, pursuant to the Management Company's instructions, on each Payment Date, in accordance with the applicable Priority of Payments, to the Senior Unitholders registered on such date on the registers that the Custodian, acting in its capacity as Senior Units registrar, keeps for such purpose.
- (ii) The payments of the Actual Interest Amount that the Compartment owes under all Senior Units that any Investor holds or has held shall be made by the Management Company, in a single instalment deferred until the Investor Commitment End Date of such Investor, in accordance with the applicable Priority of Payments.
- (iii) Payments of principal and interest under the Senior Units held by any Investor shall be made by way of set-off on each date on which the Compartment Regulations and the Subscription Agreement entered into by such Investor specify for such set-off.
- (iv) Payments of principal and interest under the Senior Units are subject to the applicable tax statutes and regulations of the relevant jurisdiction. In the event that a statute or regulation applicable in a jurisdiction requires tax withholding, the Compartment shall make the payments of principal and interest under the Senior Units without being obliged to pay any additional amount in order to offset the consequences of such tax withholding.

## I. LIMITED RECOURSE

- (i) By subscribing for or purchasing a Senior Unit issued by the Compartment, each subscriber or purchaser of said Senior Unit shall automatically be deemed to have waived all recourse against the Compartment over and above the available sums that the Compartment holds, in compliance with, for a given Maturity, the cash flow allocation rules set out in Clause 23 (*CASH FLOW ALLOCATION*) of the Compartment Regulations.
- (ii) Furthermore, after the date on which the Compartment's liquidation operations have been completed, the rights of a holder of a Senior Unit to payment of any amount of interest and principal still outstanding under such Senior Unit shall be automatically extinguished, such that the relevant holder shall cease to have any further recourse against the Compartment, regardless of the amounts in question.

## J. RESTRICTIONS ON SUBSCRIBING FOR AND HOLDING SENIOR UNITS

Senior Units shall only be offered to, transferred to or held by *clients professionnels* referred to in Article L.533-16 of the French *Code monétaire et financier*, or to foreign investors that belong to an equivalent category under the law of the country that applies to them.

**K. NOTICES AND NOTIFICATIONS**

- (i) From time to time, the Senior Unitholders shall receive from the Management Company the information intended for Senior Unitholders, as specified in the Compartment Regulations.
- (ii) Any notice of meeting or notification shall be validly made to the Senior Unitholders by delivering the notice and/or by posting it on the Management Company's site.

**L. GOVERNING LAW AND JURISDICTION**

- (i) The Senior Units are governed by French law.
- (ii) The courts under the jurisdiction of the Paris Court of Appeal shall have jurisdiction over any dispute that may arise concerning the Senior Units General Terms and Conditions and the Senior Units.



**Schedule 4**  
**Senior Units Specific Terms and Conditions (Template)**

**Issuer: FCT Younited Italy - Compartment A (the 'Compartment')**

The terms defined in these Senior Units Specific Terms and Conditions shall have the meanings given thereto in the Compartment Regulations and Senior Units General Terms and Conditions dated 14 September 2017.

Headings	Senior Units Specific Terms and Conditions
<b>Unit Class:</b>	Senior Unit
<b>Issue Date:</b>	[ ] 20[ ]
<b>Maturity:</b>	[One calendar week] [One calendar month]
<b>Maturity Date:</b>	[ ] 20[ ]
<b>Form:</b>	Dematerialised ['nominative pur'/'nominatif administré']
<b>Fraction:</b>	[tenths, hundredths, thousandths, ten-thousandths or millionth]
<b>Amount:</b>	Euro [ ]
<b>Number:</b>	[ ]
<b>Nominal amount (up to 4 decimal places):</b>	Euro [ ]
<b>Subscription Price:</b>	100%
<b>Minimum Contractual Interest Rate:</b>	1%
<b>ISIN:</b>	FR[ ]

The Compartment, represented by the Management Company, accepts responsibility for the information contained in these Senior Unit Specific Terms and Conditions.

Executed in Paris, on 14 September 2017.

**FCT Younited Italy - Compartment A**

*Represented by EuroTitrisation*

*Management Company*

**Younited**

*Custodian*

\_\_\_\_\_  
By:.....

\_\_\_\_\_  
By:.....

## **Schedule 5.**

### **Residual Units Terms and Conditions**

For the purposes of this schedule, the capitalised terms defined hereafter shall have the meanings given thereto below or, failing this, in Schedule 1 of the Compartment Regulations.

By subscribing for or purchasing a particular Residual Unit issued by the Compartment on the Initial Issue Date, the relevant Unitholder shall automatically be deemed to have accepted, without any reservation, condition or formality:

- (i) all of the Residual Units General Terms and Conditions, as described in this schedule; and
- (ii) all provisions of the Compartment Regulations.

#### **A. FORM AND TITLE**

- (i) The Residual Units that the Compartment issues are *instruments financiers* within the meaning of Article L. 211-1 of the French *Code monétaire et financier*, and *valeurs mobilières* within the meaning of Article L. 211-2 of the French *Code monétaire et financier*.
- (ii) Each Residual Unit shall be issued in a dematerialised form and a '*nominatif pur*' form.
- (iii) The Residual Units are not and will not be rated, and are not and cannot be admitted for trading on a regulated market. Furthermore, the Residual Units will not be the subject of a public offering, but of a private placement with Younited.

#### **B. NOMINAL VALUE**

The nominal value of each Residual Unit shall be €150.

#### **C. MATURITY**

Each Residual Unit has a Maturity that covers the period between the Initial Issue Date and the end of the Compartment's liquidation operations.

#### **D. RANK**

On each relevant Payment Date, the Compartment shall make subordinated payments of amounts owed, as principal or interest, under the Residual Units, after having made payments owed, as principal or interest, under the Senior Units, in accordance with the cash flow allocation rules set out in Clause 23 (*CASH FLOW ALLOCATION*) of the Compartment Regulations.

#### **F. INTEREST**

The principal amount of each Residual Unit shall bear interest at an unspecified rate from the Initial Issue Date (inclusive) to the date on which the Compartment's liquidation operations have been completed (exclusive). The amount of interest that the Compartment owes shall be paid in a single instalment on the date on which the Compartment's

liquidation operations have been completed, and shall be paid by the Compartment in accordance with the cash flow allocation rules set out in Clause 23 (*CASH FLOW ALLOCATION*) of the Compartment Regulations.

#### **G. REPAYMENT**

The total principal amount of each Residual Unit shall be repaid in full in a single instalment on the date on which the Compartment's liquidation operations have been completed, and shall be paid by the Compartment in accordance with the cash flow allocation rules set out in Clause 23 (*CASH FLOW ALLOCATION*) of the Compartment Regulations.

#### **H. PAYMENTS**

- (i) All payments that the Compartment owes under the Residual Units shall be made by the Management Company, on the relevant date, in accordance with the applicable Priority of Payments, to the Residual Unitholders registered on such date on the registers that the Custodian, acting in its capacity as Residual Units registrar, keeps for such purpose.
- (ii) Payments of principal and interest under the Residual Units are subject to the applicable tax statutes and regulations of the relevant jurisdiction. In the event that a statute or regulation applicable in a jurisdiction requires tax withholding, the Compartment shall make the payments of principal and interest under the Residual Units without being obliged to pay any additional amount in order to offset the consequences of such tax withholding.

#### **I. LIMITED RECOURSE**

- (i) By subscribing for or purchasing a Residual Unit issued by the Compartment, each subscriber or purchaser of said Residual Unit shall automatically be deemed to have waived all recourse against the Compartment over and above the available sums that the Compartment holds, in compliance with the cash flow allocation rules set out in Clause 23 (*CASH FLOW ALLOCATION*) of the Compartment Regulations.
- (ii) Furthermore, after the date on which the Compartment's liquidation operations have been completed, the rights of a holder of a Residual Unit to payment of any amount of interest and principal still outstanding under such Residual Unit shall be automatically extinguished, such that the relevant holder shall cease to have any further recourse against the Compartment, regardless of the amounts in question.

#### **J. RESTRICTIONS ON SUBSCRIBING FOR AND HOLDING RESIDUAL UNITS**

Residual Units shall only be offered to, transferred to or held by *clients professionnels* referred to in Article L.533-16 of the French *Code monétaire et financier*, or to foreign investors that belong to an equivalent category under the law of the country that applies to them.

**K. NOTICES AND NOTIFICATIONS**

- (i) From time to time, the Residual Unitholders shall receive from the Management Company the information intended for Residual Unitholders, as specified in the Compartment Regulations.
- (ii) Any notice of meeting or notification shall be validly made to the Residual Unitholders by delivering the notice and/or by posting it on the Management Company's site.

**L. GOVERNING LAW AND JURISDICTION**

- (i) The Residual Units are governed by French law.
- (ii) The courts under the jurisdiction of the Paris Court of Appeal shall have jurisdiction over any dispute that may arise concerning the Residual Units General Terms and Conditions and the Residual Units.

## **Schedule 6. Priority of Payments**

On each Payment Date during the Normal Amortisation Period and the Accelerated Amortisation Period, the Management Company, shall allocate the Available Funds of the Compartment to the payments listed below, according to a payment order of priority that varies depending on whether or not an Arranger Event has occurred (the '**Priority of Payments**').

### **Priority of Payments applicable before the occurrence of any Arranger Event:**

On each Payment Date during the Normal Amortisation Period and Accelerated Amortisation Period, and so long as no Arranger Event has occurred, the Management Company shall allocate the Compartment's Available Funds to the following payments, in accordance with the following payment order of priority:

- 1) *pari passu* and pro rata, payment to each holder of a Senior Unit of the Principal Repayment Amount owed under such Senior Unit on the relevant Payment Date; and
- 2) *pari passu* and pro rata, payment to each holder of a Senior Unit of the Actual Interest Amount owed under such Senior Unit on the relevant Payment Date.
- 3) only on the date the Compartment's liquidation operations have been completed, and provided all amounts of interest and principal owed under all Senior Units have been paid and repaid in full, payment to the holder of Residual Units of the Nominal Amount of such Residual Units, with the balance of Available Funds of the Compartment (if any) on such Payment Date also being allocated to the holder of Residual Units as the payment of interest on such Residual Units.

### **Priority of Payments applicable as from the occurrence of any Arranger Event:**

On each Payment Date during the Accelerated Amortisation Period as from the occurrence of any Arranger Event and thereafter, the Management Company, shall allocate the Compartment's Available Funds to the following payments, in accordance with the following payment order of priority:

- 1) *pari passu* and pro rata, payment of Litigation Expenses and/or Judicial Costs and Penalties owed on the relevant Payment Date;
- 2) *pari passu* and pro rata, payment of Management Company Fees (other than Litigation Expenses and Judicial Costs and Penalties) owed on the relevant Payment Date;
- 3) *pari passu* and pro rata, payment of Statutory Auditor Fees owed on the relevant Payment Date;
- 4) *pari passu* and pro rata, payment of Custodian Fees and Settlement Bank Fees owed on the relevant Payment Date;
- 5) *pari passu* and pro rata, payment of Exceptional Expenses owed on the relevant Payment Date;

- 6) *pari passu* and pro rata, payment to each holder of a Senior Unit of the Principal Repayment Amount owed under such Senior Unit on the relevant Payment Date;
- 7) after repayment, in full, of all amounts of principal owed under all Senior Units, *pari passu* and pro rata, payment to each holder of a Senior Unit of the Actual Interest Amount owed under such Senior Unit on the relevant Payment Date; and
- 8) only on the date the Compartment's liquidation operations have been completed, and provided all amounts of interest and principal owed under all Senior Units have been paid and repaid in full, payment to the holder of Residual Units of the Nominal Amount of such Residual Units, with the balance of Available Funds of the Compartment (if any) on such Payment Date also being allocated to the holder of Residual Units as the payment of interest on such Residual Units.

**Schedule 7**  
**Net Asset Value calculation rules**

The Net Asset Value shall be equal to the value of the investments that the Compartment holds as assets on the relevant Calculation Date, reduced by the value of liabilities (excluding Senior Units) on said Calculation Date.

Investment instruments that the Compartment holds on each Calculation Date shall be valued at their book value, as determined by the Management Company, on the basis of the Loan classification and accounting rules applied by Younited, Italian Branch, as originator of the Receivables and communicated to the Management Company by Younited. Such classification and accounting rules may be amended every six months at the discretion of Younited.

On the date hereof, these rules are determined as shown below.

		<b>Provision to be applied</b>			
<b>Accounting situation of the Loan receivable</b>	<b>Provision Code</b>	<b>Principal in arrears</b>	<b>Interest in arrears</b>	<b>Accrued interest not yet due</b>	<b>Principal outstanding*</b>
Zero unpaid instalments (unpaid balance = zero)		0.00%	0.00%	0.00%	0.00%
1 unpaid instalment		0.00%	100.00%	100.00%	0.00%
2 unpaid instalments		0.00%	100.00%	100.00%	0.00%
3 unpaid instalments		0.00%	100.00%	100.00%	0.00%
4 unpaid instalments		0.00%	100.00%	100.00%	0.00%
5 unpaid instalments		0.00%	100.00%	100.00%	0.00%
6 unpaid instalments or more		100.00%	100.00%	100.00%	100.00%

\* A provision is applied to loans that are not 6 instalments in arrears on the basis of a model developed by Younited.





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COMPARTMENT A'**

Executed in Paris, on 14 September 2017.

In two (2) original copies:

**EUROTITRISATION**

*Management Company*

**YOUNITED**

*Custodian*

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By:.....**Julien LELEU**.....  
Directeur Général

\_\_\_\_\_

By:.....

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By:.....

By: X. SERRANT - CFO

