

FONDS COMMUN DE PLACEMENT (MUTUAL FUND) REGULATIONS

GROUPAMA CONVERTIBLES

PART 1 ASSETS AND UNITS

Article 1 – CO-OWNERSHIP UNITS

The rights of co-owners are expressed as units, with each unit corresponding to the same fraction of the assets of the Fund. Each unitholder has a shared ownership right in the assets of the Fund in proportion to the number of units held.

The term of the Fund is 99 years from the date it was authorised by the AMF (French Financial Markets Authority), unless dissolved early or extended in accordance with these regulations.

Classes of units:

The characteristics of the various classes of units and their eligibility rules are specified in the prospectus.

The various unit classes may:

- be subject to different earnings distribution regimes (distribution or accumulation);
- be denominated in different currencies;
- be charged for different management fees;
- be charged for different subscription and redemption fees;
- have different nominal values;
- be matched with a systematic partial or total hedge, which is defined in the prospectus. This hedging is accomplished using financial instruments and reduces to a minimum the impact of hedging transactions on the other unit classes of the Fund;
- be limited to one or more marketing channels.

Units may be combined or divided.

Upon decision of the competent body of the management company, units may be fractioned into tenths, hundredths, thousandths or ten-thousandths, which shall be called unit fractions.

The provisions of the regulations governing the issue and redemption of units are applicable to unit fractions, the value of which shall always be proportional to the value of the unit that it represents. All other provisions of the regulations relating to units also apply to unit fractions without the need to so specify, unless stated otherwise.

The competent body of the management company may, at its sole discretion, divide units by creating new units that are issued to unitholders in exchange for their former units.

Article 2 – MINIMUM ASSETS

Units may not be redeemed if the assets of the Fund fall below 300,000 euros. If the Fund's assets remain below this amount for 30 days, the portfolio management company shall take the necessary measures to liquidate the Fund in question, or execute the transactions cited in Article 411-16 of the AMF [French Financial Markets Authority] general regulations (transfer of the Fund).

Article 3 – ISSUE AND REDEMPTION OF UNITS

The Fund may issue units at any time on request from unitholders based on their net asset value plus any subscription fee.

Redemptions and subscriptions are performed under the conditions and according to the arrangements set out in the prospectus.

Units of the Fund may be admitted for listing on a stock exchange in accordance with the regulations in force.

Subscriptions must be fully paid up at the net asset value calculation date. This can be in cash and/or in the form of transferable securities. The management company has the right to refuse the securities offered, and has seven days from the time that they are deposited to make its decision known. If accepted, the securities contributed are valued in accordance with the rules set out in Article 4 and the subscription is executed on the basis of the first net asset value following the acceptance of the securities concerned.

Redemptions are executed exclusively in cash, except in the event of the Fund being liquidated when unitholders have expressed their agreement to be repaid in securities. The redemption price shall be paid by the issuer/custodian within five days of the unit valuation date.

However, if, in exceptional circumstances, a redemption necessitates the prior realisation of assets included in the Fund, this deadline may be extended to a maximum of 30 days.

Except in the case of inheritance or living gift, the sale or transfer of units between unitholders, or between unitholders and a third party, is akin to a redemption followed by a subscription. If a third party is involved, the amount of the sale or transfer must, if necessary, be supplemented by the beneficiary to reach at least the minimum subscription required by the prospectus.

Pursuant to Article L. 214-8-7 of the French Monetary and Financial Code, the Fund's redemptions of its shares and the issue of new shares, may be suspended on a temporary basis by the management company when exceptional circumstances and the interests of unitholders so require.

If the net assets of the Fund are less than the amount set by the regulations, no redemptions can be made.

Minimum subscription terms may apply, in accordance with the procedures set out in the prospectus.

The Fund may cease to issue units, in accordance with Article L. 214-8-7, paragraph three, of the French Monetary and Financial Code when objective circumstances entail the Fund's closure to further subscriptions, e.g. when a set maximum number of units or shares has been issued, a set maximum level of assets has been reached, or a set subscription period has expired. These objective circumstances are defined in the Fund's prospectus.

Article 4 – CALCULATION OF THE NET ASSET VALUE

The net asset value is calculated in accordance with the valuation rules set out in the prospectus.

Capital contributions in kind can only be securities, stocks or contracts that are eligible to be Fund assets, and they are valued in accordance with the same rules that apply to the calculation of the net asset value.

PART 2

OPERATION OF THE FUND

Article 5 – MANAGEMENT COMPANY

The management of the Fund is carried out by the management company in accordance with the strategy defined for the Fund.

The management company acts in all circumstances in the exclusive interest of the unitholders and has sole voting rights attached to the securities included in the Fund.

Article 5a – OPERATING RULES

Eligible deposits and instruments for the Fund's assets and the investment rules are described in the prospectus.

Article 5b – LISTING FOR TRADING ON A REGULATED MARKET AND/OR A MULTILATERAL TRADING SYSTEM

Fund units may be listed for trading on a regulated market and/or a multilateral trading system in accordance with the regulations in force. If the Fund whose units are listed for trading on a regulated market has a management objective based on an index, the Fund shall have set up a mechanism to ensure that its unit price does not deviate significantly from its net asset value.

Article 6 – CUSTODIAN

The custodian shall perform the tasks for which it is responsible under the legal and statutory provisions in force, as well as those contractually entrusted to it by the management company. In particular, it oversees the compliance of the decisions of the management company. It undertakes, if necessary, all safekeeping measures that it considers useful. If a dispute arises with the management company, he shall inform the AMF.

If the Fund is a feeder fund, the custodian will therefore have concluded an information-exchange agreement with the custodian of the parent fund (or, as the case may be, if it is also custodian of the parent fund, it will have issued appropriate specifications).

Article 7 – STATUTORY AUDITOR

A statutory auditor is appointed for six financial years, after approval by the AMF, by the governing body of the management company.

The statutory auditor certifies the consistency and accuracy of financial statements.

The statutory auditor's mandate is renewable.

The auditor is obliged to inform the AMF of any facts or decisions regarding the undertaking for collective investment in transferable securities that he becomes aware of when performing his duties that:

1. Constitute a violation of the statutory or regulatory provisions applicable to the UCITS that may have a significant effect on its financial situation, earnings or assets;
2. Undermine its operational conditions or its continued operation;
3. Lead to the issuing of reserves or the financial statements being refused certification.

The valuation of assets and determination of exchange parities in transformation operations, mergers or demergers are performed under the supervision of the statutory auditor.

The auditor evaluates all contributions in kind under his or her responsibility.

The auditor certifies the accuracy and composition of the assets and other elements before publication.

The auditor's fees are set by mutual agreement between the auditor and the Board of Directors or management board of the management company, based on a programme of work detailing the skills considered necessary to carry out the audit.

The auditor certifies the conditions that form the basis of the distribution of interim dividends.

If the Fund is a feeder fund:

- The auditor concludes an information-exchange agreement with the auditor for the parent fund.
- If he is the auditor for the feeder fund and the parent fund, he draws up an appropriate programme of work.

The auditor's fees are included in the management fees.

Article 8 – MANAGEMENT REPORT AND FINANCIAL STATEMENTS

At each financial year end, the management company prepares summary documents and draws up a report on the management of the Fund during the previous year.

The management company establishes, at least every six months and under the supervision of the custodian, an inventory of the UCI's assets.

The management company makes these documents available to unitholders within four months of the end of the financial year and informs them of the amount of income to which they are entitled: these documents are either sent by post if expressly requested by unitholders, otherwise they are made available to them at the registered office of the management company.

PART 3 DISTRIBUTABLE INCOME APPROPRIATION METHODS

Article 9 – DISTRIBUTABLE INCOME APPROPRIATION METHODS

The net profit for the financial year is equal to the amount of interest, arrears, dividends, premiums, directors' fees and all other income relating to the securities constituting the portfolio of the Fund, plus temporary earnings, and minus management fees and borrowing expenses.

The distributable income of an undertaking for collective investment in transferable securities is made up of:

1. Net profit plus retained earnings brought forward, plus or minus accruals;
2. Realised capital gains, net of fees, minus realised capital losses, net of fees, observed over the course of the financial year, plus net capital gains of the same type observed over the course of previous financial years that have not been distributed or accumulated, and plus or minus accrued capital gains.

The sums mentioned in points 1 and 2 may be distributed, in full or in part, independently of each other.

The distributable income is paid no more than five months after the end of the financial year.

The management company determines the distribution of distributable income.

For each class of units, the Fund may opt for one of the following:

- pure accumulation: the distributable earnings are fully capitalised with the exception of any distributions that are mandatory by law;
- pure distribution: the earnings are fully distributed subject to rounding differences;
- for funds that wish to retain the capacity to accumulate and/or distribute: the management company determines the earnings appropriation each year.

Where applicable, it may be distributed from the interim dividends in compliance with applicable regulations.

The full distributable income appropriation methods are outlined in the prospectus.

PART 4

MERGER – DEMERGER – DISSOLUTION – LIQUIDATION

Article 10 – MERGER – DEMERGER

The management company may contribute all or part of the assets in the Fund to another fund, or split the Fund into two or more other mutual funds.

Unitholders must be given at least one month's prior notice of such a merger or demerger.

They must also receive a new certificate specifying the number of units held by each unitholder.

Article 11 – DISSOLUTION – EXTENSION

If, for 30 days, the Fund's assets remain below the amount specified in Article 2 above, the management company must inform the AMF thereof and must merge with another fund or be dissolved.

The management company may dissolve the Fund early. It must inform the unitholders of its decision and as of that date, subscription or redemption requests can no longer be accepted.

The management company shall also dissolve the Fund if a redemption request is made for all the units of the Fund, if the custodian ceases operating without a replacement custodian having been designated, or at the expiry of the Fund's term if it has not been extended.

The management company informs the AMF by post of the liquidation date and liquidation procedure used. It then sends the statutory auditor's report to the AMF.

An extension to the Fund's existing term may be decided by the management company in agreement with the custodian. Its decision must be made no later than three months before the expiry of the Fund's existing term and unitholders as well as the AMF must be notified thereof.

Article 12 – LIQUIDATION

In the event of the Fund being dissolved, the management company or the custodian shall be responsible for the liquidation proceedings; otherwise, the liquidator shall be appointed by the courts at the request of any interested party. For this purpose, they shall receive broader powers to sell the Fund's assets, settle any liabilities and allocate the balance in cash or in securities to the unitholders.

The auditor and the custodian continue to exercise their functions until the liquidation operations are completed.

PART 5

DISPUTES

Article 13 – JURISDICTION – ELECTION OF DOMICILE

Any disputes relating to the Fund that may arise during the term of the Fund or at its liquidation, either between unitholders themselves, or between the unitholders and the management company or the custodian, are subject to the jurisdiction of the competent courts.
