

**French UCITS-compliant SICAV subject to European
Directive 2009/65/EC**

PROSPECTUS

I – GENERAL FEATURES

I.1. Form of the Fund

Name:	LAZARD EURO SHORT DURATION
Registered office:	121, Boulevard Haussmann 75008 Paris, France
Legal form:	French open-end investment company (<i>Société d'Investissement à Capital Variable</i> - SICAV) with a board of directors
Inception date – term	This SICAV was created on December 18 th , 2002 for a period of 99 years.

Fund overview:

Shares	ISIN	Allocation of distributable income	Base currency	Eligible investors	Minimum initial subscription	Initial NAV
IC	FR0000027609	Allocation of net income: accumulation	EURO	All subscribers, including feeder UCIs.	One share	€3 101,84
		Allocation of net realised capital gains: accumulation				
ID	FR0000029860	Allocation of net income: distribution	EURO	All subscribers	One share	€2 999,64
		Allocation of net realised capital gains: accumulation and/or distribution and/or retained				

The SICAV's prospectus, latest annual and periodic reports, the composition of assets and Lazard Frères Gestion SAS's standards regarding the exercise of voting rights, as well as the report on the exercise of voting rights, will be sent out within eight working days upon written request to:

Lazard Frères Gestion SAS
25, rue de Courcelles, 75008 Paris, France

The prospectus is also available at www.lazardfreresgestion.fr

Designated contact:

Client Services – Monday to Friday
9 a.m. to 5 p.m.
where further information may be obtained if necessary.

I.2. Service providers

Delegated management company:	Lazard Frères Gestion SAS 25, rue de Courcelles, 75008 Paris, France Management company incorporated under French law approved by the AMF on December 28 th , 2004, under No. GP 04 0000 68
Custodian:	CACEIS BANK Bank and investment services provider accredited by the CECEI on April 1 st , 2005 Registered office: 1-3, place Valhubert – 75013 Paris, France The custodian's functions, as set out in the applicable regulations, include safeguarding of the assets, ensuring the legality of decisions taken by the management company and monitoring of cash flow related to the Funds. <u>Sub-delegation:</u> A description of the functions of delegated custody agents, a list of the custody and sub-custody agents of CACEIS Bank, and information on conflicts of interest that may arise in relation to these agents are available on the CACEIS website: www.caceis.com/Regulatory watch – UCITS V – Sub-custodians list . Investors may obtain updated information on request. The custodian operates independently of the investment management company.
Delegated agent for the centralisation of subscription and redemption orders:	CACEIS BANK : 1-3, place Valhubert – 75013 Paris, France The management company has delegated the management of the UCI's liabilities to CACEIS Bank, which is therefore responsible for centralising and processing subscription and redemption orders for the Fund's shares. LAZARD FRÈRES BANQUE , 121 Bld. Haussmann-75008 Paris, on behalf of clients for whom it provides custody account-keeping services.
Registrar of units or shares by delegation of the management company:	CACEIS BANK 1-3, place Valhubert – 75013 Paris, France
Principal Statutory Auditor:	MAZARS Tour Exaltis 61, rue Henri Regnault 92400 Courbevoie, France Authorised signatory: Gilles Dunand-Roux
Distributor:	Lazard Frères Gestion SAS 25, rue de Courcelles, 75008 Paris, France
Sub-delegation:	
Financial and administrative sub-manager:	Lazard Frères Gestion SAS 25, rue de Courcelles, 75008 Paris, France
Accounting delegated to:	CACEIS FUND ADMINISTRATION Registered office: 1-3, place Valhubert – 75013 Paris, France
Administration, management and supervisory bodies:	The names and functions of the Chairman and members of the Board of Directors are available in the SICAV's annual report.

II – OPERATION AND MANAGEMENT

II.1 – General features

Share characteristics:	
- ISIN IC shares:	FR0000027609
- ISIN ID shares:	FR0000029860
- Nature of the rights attached to the SICAV's shares:	Each shareholder has an ownership right in and to the assets of the SICAV in proportion to the number of shares owned.
- Voting rights attached to the IC and ID shares:	Each shareholder is entitled to one vote for each share held.
- Form of shares:	Bearer or registered at the shareholder's discretion. The SICAV is listed with Euroclear France.
- Fractional or whole shares:	IC shares: subscriptions and/or redemptions may be made in thousandths of shares. ID shares: subscriptions and/or redemptions may be made in thousandths of shares.
- Financial year end:	Last valuation day in September. First financial year end: the last trading day in September 2003
- Taxation:	<p>The SICAV is not subject to corporate income tax. However, its shareholders are liable for taxation on dividends that the SICAV distributes and on realised capital gains or losses.</p> <p>The tax treatment of sums distributed by the SICAV or the unrealised or realised capital gains or losses of the SICAV depends on the tax rules applicable to the particular circumstances of each subscriber and/or the SICAV's investment jurisdiction. If you are unsure of the tax rules applying to your particular circumstances, you should consult a professional adviser.</p> <p>➤ For non-French residents: withholding tax is payable by the subscriber.</p>

II.2 – Other specifications

- Classification	BONDS AND OTHER EURO-DENOMINATED DEBT SECURITIES.
- Sub-investment manager	Lazard Frères Gestion SAS
- Investment objective:	The SICAV aims to outperform (net of expenses) the ICE BofAML 1-3 year Corporate index (ER01) in euros, net coupons reinvested, over a minimum recommended investment period of one year.
- Benchmark:	The ICE BofAML 1-3 year Corporate index in euros is published by ICE and consists of investment grade-rated bonds with a maturity of between one and three years, denominated in euro and issued by financial and non-financial companies.

1 – Strategies used

The SICAV aims to outperform (net of expenses) the ICE BofAML 1-3 year Corporate index (ER01) through active management of interest rate risk and credit risk by investing in short maturity bonds. Interest rate risk will be managed independently within a sensitivity range of -2 to +5. To build the portfolio, the manager conducts his own analysis of euro-denominated bonds and negotiable debt securities, of any subordination rank, at fixed, variable or indexed rates, issued by companies, financial institutions and States. He also refers to agency ratings but does not rely on them solely and mechanically. Investments denominated in a currency other than the euro and exposure to foreign exchange risk may not exceed 10% of the net assets.

. Investments mainly concern securities rated investment grade by Standard & Poor's or the equivalent according to the management company's analysis (i.e. a rating between AAA and BBB-). Investments in bonds rated as speculative or high yield, i.e. less than BBB- by Standard & Poor's or the equivalent based on the management company's analysis, and/or bonds not rated by a ratings agency, are authorised up to a maximum of 20% of the net assets.

The portfolio may also include contingent convertible bonds for to a maximum of 20% of the net assets.

Information on the SICAV's sensitivity range is shown in the table below.

		Investment		Exposure	
		Minimum	Maximum	Minimum	Maximum
Interest rate sensitivity range		-2	5	-2	5
Geographic zone of issuers	Europe zone	-	-	-	-
	All geographic zones	0	100%	0	100%

2 – Assets (excluding embedded derivatives)

Equities:

A maximum of 5% of the net assets in ordinary shares. The SICAV will not invest actively in equities but may hold equities if they derive from a debt restructuring, typically following an exchange of shares for debt. The fund manager will do his best to sell the shares received as soon as possible depending on market conditions with a view to optimising the exit price for the shareholders.

Total exposure to equity risk may not exceed 10% of the Fund's assets.

Debt securities and money market instruments:

- a) Up to a maximum of 100% of the net assets in euro-denominated bonds and debt securities rated investment grade by Standard & Poor's (AAA to BBB-) or the equivalent according to the management company's analysis.
- b) Euro-denominated bonds and debt securities rated speculative or high yield or the equivalent by the management company, or unrated, for up to 20% of the net assets.
- c) A maximum of 20% of the net assets in contingent convertible bonds.
- d) Convertible bonds with low sensitivity to a change in the underlying share, for up to 10% of the net assets.
- e) Securities issued by securitisation vehicles (*fonds communs de créances*) investing solely in physical assets as opposed to synthetic receivables, for up to 10% of the net assets.

UCIs:

Money market UCITS-compliant or alternative investment funds, short-term money market or French bond funds for up to 10% of the net assets.

Investment is solely in UCITS-compliant or alternative investment funds that in turn invest less than 10% of their assets in other UCIs.

These UCIs may be managed by the management company.

3 – Derivatives

- **Types of markets:**

- ☒ regulated
- ☒ organised
- ☒ OTC

- **The manager intends to seek exposure to:**

- ☐ equities
- ☒ interest rates
- ☒ currencies
- ☒ credit
- ☐ other

- **Types of transactions – all transactions must be limited to achieving the investment objective:**

- ☒ hedging
- ☒ exposure
- ☐ arbitrage

- **Type of instruments used:**
 - ☒ **futures:**
 - ☐ equity and equity index
 - ☒ interest rate: interest rate risk
 - ☒ currency
 - ☒ **options:**
 - ☐ equity and equity index
 - ☒ interest rate
 - ☒ currency
 - ☒ **swaps:**
 - ☐ equity swaps
 - ☒ interest rate: exchange of fixed-rate for variable rate and vice versa
 - ☒ currency
 - ☒ **currency forwards**
 - ☒ **credit derivatives (CDS allowed up to 100% of the net assets)**
- **Derivatives strategy to achieve the investment objective:**
 - ☒ partial or general hedging of the portfolio, some risks and securities
 - ☒ creating synthetic exposure to assets and risks
 - ☐ increasing exposure to the market and fine-tuning leverage
 - ☐ maximum permitted and sought
 - ☐ other strategy

The counterparties used by the SICAV's manager will be European Union credit institutions. The counterparties will not have a discretionary role; the rules will be established in advance by the SICAV's manager. The use of forward financial instruments must not involve overexposure.

4 – Securities with embedded derivatives

The manager may invest in all securities with embedded derivatives permitted under the management company's business plan and traded on regulated, organised or OTC markets, notably convertible bonds, puttable and callable bonds, warrants and, for up to 20% of the net assets, contingent convertible bonds. Within this framework, the manager may take positions with a view to hedging the portfolio against and/or exposing it to particular business sectors, geographic regions, stocks and similar securities in order to achieve the investment objective.

Investment in securities with embedded derivatives is allowed for up to 100% of the net assets.

5 – Deposits

Up to 10% of the SICAV's assets may be held in deposits.

6 – Cash borrowings

The SICAV may borrow cash within the limit of 10% of its assets to meet specific cash requirements related to its operating needs.

7 – Temporary purchases and sales of securities

None.

8 – Information on financial guarantees

In connection with over-the-counter derivative transactions, and in accordance with Position paper 2013-06 issued by the French financial markets regulator (*Autorité des Marchés Financiers*– AMF), the SICAV may receive collateral in the form of securities (such as bonds or other securities issued or guaranteed by a State or issued by international financing agencies and bonds or securities issued by high quality corporate issuers), or cash.

Any cash collateral received is reinvested in accordance with the applicable rules.

All such assets must be from high-quality issuers that are not an entity of the counterparty or its group, and must be liquid and diversified with low volatility.

Discounts may be applied to the collateral received; they take into account the quality of credit and the price volatility of the securities.

9 – Risk profile

Notice
Your money will be mainly invested in financial instruments selected by the management company. These instruments will be exposed to market trends and fluctuations.

Risk of capital loss:

The SICAV is not guaranteed or protected, and therefore, there is a possibility that you may not get back the full amount of your initial investment.

Risk associated with managing and allocating discretionary assets:

The SICAV's performance depends on both the securities and UCIs that the portfolio manager chooses and on the portfolio manager's allocation of assets. There is a risk that the manager may not select the best-performing securities and UCIs or choose the optimal asset allocation between markets.

Interest rate risk:

There is a risk of a fall in the value of bonds and other fixed-income securities and instruments, and hence in the portfolio, resulting from a change in interest rates. The value of this component of the portfolio may decrease due to the sensitivity range applied.

Credit risk:

Credit risk is the risk that the issuer of a bond may default. This could decrease the SICAV's net asset value. Even in cases where the issuer has not defaulted, changes in credit spreads could give rise to a negative performance.

The decrease in the NAV may be even greater if the SICAV is invested in unrated or speculative/high-yield debt.

Risks linked to contingent or subordinated securities:

The Fund may be exposed to contingent or subordinated securities. Subordinated debt and contingent convertible bonds are subject to specific risks of non-payment of coupons and capital loss in certain circumstances. At a certain solvency threshold, referred to as the "trigger" threshold, the issuer may or must suspend the payment of coupons and/or reduce the nominal value of the security or convert such bonds into shares. Notwithstanding the thresholds specified in the issuing prospectuses, the supervisory authorities may apply these rules preventively if the circumstances require, based on a subjective threshold known as the "point of non-viability". These securities expose holders to either a total or partial loss of their investment following their conversion into shares at a predetermined price or because of the application of a discount provided for contractually in the issuing prospectus or applied arbitrarily by a supervisory authority. Holders of these

securities are also exposed to potentially large price fluctuations in the event that the issuer has insufficient equity or experiences difficulties.

Risk associated with investment in the futures markets:

The SICAV may invest up to 100% of its assets in forward financial instruments. Such exposure to markets, assets or indices through forward financial instruments may lead to falls in the NAV that are significantly more pronounced or faster than the change in the underlying assets.

Counterparty risk:

This is the risk associated with the SICAV's use of over-the-counter financial forwards.

These transactions, entered into with one or more eligible counterparties, potentially expose the SICAV to a risk of insolvency of any such counterparty, which may lead to default on payment or cause the SICAV's net asset value to fall.

Ancillary foreign exchange risk:

The SICAV may invest in securities and UCI that are themselves permitted to purchase stocks denominated in currencies other than the euro. The value of such UCIs' assets may fall if exchange rates fluctuate, which may lead to a fall in the SICAV's NAV.

10 – Guarantee or protection

None.

11 – Eligible subscribers and typical investor profile

All subscribers seeking to optimise their investments in fixed-income instruments.

Subscribers are strongly advised to diversify their investments sufficiently to avoid exposure solely to the risks of this SICAV.

Information on US investors:

The SICAV is not registered as an investment vehicle in the United States and its shares are not and will not be registered under the Securities Act of 1933 and, therefore, they may not be offered or sold in the United States to Restricted Persons, as defined hereafter.

A Restricted Person is (i) any person or entity located in the United States (including US residents), (ii) any corporation or any other entity subject to the laws of the United States or any state thereof, (iii) any US military personnel or any employee of a US government department or agency located outside the United States, or (iv) any other person that would be considered a US Person under Regulation S of the Securities Act of 1933, as amended.

FATCA:

Pursuant to the provisions of the Foreign Account Tax Compliance Act (“FATCA”) applicable as of July 1st, 2014, if the SICAV invests directly or indirectly in US assets, the capital and income arising from such investments may be subject to withholding tax of 30%.

To avoid paying the 30% withholding tax, France and the United States have entered into an intergovernmental agreement under which non-US financial institutions (“foreign financial institutions”) agree to institute procedures for identifying direct or indirect investors who qualify as US taxpayers and to provide certain information about these investors to the French tax authorities, which will disclose said information to the US tax authority, the Internal Revenue Service.

As a foreign financial institution, the SICAV undertakes to comply with the FATCA and to take all appropriate measures pursuant to the aforementioned intergovernmental agreement.

The amount that it is reasonable to invest in this SICAV depends on each investor's personal circumstances. To determine this, investors should take account of their personal financial situation, current needs and the recommended investment period, and should also consider their ability to assume risk or whether they prefer instead to opt for a more cautious investment.

Recommended investment period: minimum one year.

12 – Appropriation of distributable income

Distributable income consists of:

- 1) net income plus retained earnings, plus or minus the balance of the revenue adjustment account.
Net income for the financial year is equal to the amount of interest, arrears, dividends, bonuses and prizes, directors’ fees and all income generated by the securities that make up the SICAV’s portfolio, plus income generated by temporary cash holdings and minus management fees and borrowing costs.
- 2) realised capital gains, net of charges, minus realised capital losses, net of charges, recognised for the financial year, plus any net capital gains of the same kind recognised over previous years that have not been distributed or accumulated, plus or minus the balance of the capital gains adjustment account.

The amounts referred to in 1) and 2) may be distributed independently of each other, in whole or in part.

IC shares: Distributable income is accumulated in full, with the exception of those amounts subject to compulsory distribution by law.

ID shares: net income is distributed in full and the allocation of net realised capital gains is decided each year at the shareholders’ meeting.

13 – Frequency of distribution

- IC shares: none;
- ID shares: distribution of the dividend at the end of the ordinary shareholders' meeting that approved the financial statements for the past financial year.

14 – Characteristics of the shares (base currency, division of shares, etc.)

The shares are denominated in euros.

IC and ID shares: subscriptions and/or redemptions may be made in thousandths of shares.

15 – Terms and conditions of subscription and redemption of shares

Calculation of net asset value (NAV):

Date and frequency of NAV calculation

- Valuation day (D) = the NAV is calculated every day except Saturdays and Sundays, public holidays in France and days on which the Paris stock exchange is closed for trading.
- NAV calculation and publication date = the business day following the valuation day, i.e. D+1.

Where/how NAV is published or made available:

The net asset value is notified daily online at:

www.lazardfreresgestion.fr.

and displayed in the management company's offices.

Address of the institutions designated to receive subscription and redemption orders:

CACEIS BANK: 1-3, place Valhubert – 75013 Paris, France

Investors are reminded that orders transmitted to distributors other than the institution referred to above must take into consideration the fact that the cut-off time for the processing of orders applies to the said distributors vis-à-vis CACEIS Bank.

Consequently, such distributors may apply their own cut-off time, which may be earlier than the cut-off time indicated above, in order to take into account the time required to transmit orders to CACEIS Bank.

LAZARD FRÈRES BANQUE, 121 Bld Haussmann-75008 Paris, on behalf of clients for whom it provides custody account-keeping services.

Processing, execution and settlement of orders:

Subscription and redemption orders processed before 12 noon on each NAV valuation day D will be executed on the basis of the NAV of valuation date D. This NAV is calculated on the business day following the valuation day, i.e. D+1.

IC and ID shares: initial subscriptions may not be for less than one share.

Subscription settlement date: two business days following the valuation day (D+2 business days)

Redemption settlement date: two business days following the valuation day (D+2 business days)

Subscriptions preceded by a redemption received from the same shareholder on the same day for the same number of shares at the same NAV may be executed.

16 – Fees and expenses

▪ Subscription and redemption fees:

Subscription and redemption fees are respectively added to the subscription price paid by the investor or deducted from the redemption price paid. The fees earned by the SICAV are used to cover the charges that it incurs in investing or divesting the assets under management. The remaining fees are paid to the management company, the distributor, etc.

<i>Charges payable by the investor during subscription and redemption</i>	<i>Basis</i>	<i>Rate</i>
Subscription fees not retained by the SICAV (IC and ID shares)	NAV x number of shares	Maximum 4% incl. taxes Exemption for the feeder UCIs of the management company's group.
Subscription fees retained by the SICAV (IC and ID shares)	n/a	None
Redemption fees not retained by the SICAV (IC and ID shares)	NAV x number of shares	Maximum 1 % incl. taxes Exemption for the feeder UCIs of the management company's group.
Redemption fees retained by the SICAV (IC and ID shares)	n/a	None

<i>Expenses charged to the SICAV</i>	<i>Basis</i>	<i>Rate</i>	
Financial management fees	Net assets excluding funds managed by Lazard Frères Gestion SAS	IC and ID shares: Maximum 0,40 % incl. taxes	
Administrative fees external to the management company	Net assets	IC and ID shares: Maximum 0,035% incl. taxes	
Transaction fees (incl. taxes): (0 to 100% received by the management company and 0 to 100% received by the custodian)	Maximum charge on each transaction	Fixed-income instruments	None
		Futures and other transactions	From €0 to €450 per batch/contract
Performance fee** (from August 31st, 2018)	Net assets	20% of the SICAV's outperformance (net of expenses) relative to the benchmark index*	

* Benchmark index until August 30th, 2018: Capitalised Eonia +1%
Benchmark index from August 31st, 2018: ICE BofAML 1-3 year Corporate in euros, net coupons reinvested

** Calculation of the performance fee:

The current performance fee period will be extended so that the new indicator can be in effect for at least 12 months. The performance fee calculated using the new method can therefore only be paid after the September 2019 financial year-end.

Performance fees are calculated using a high water mark system based on a comparison of the performance of each share of the SICAV's assets (excluding variable management fees) with the assets of a benchmark fund:

- with a baseline value equal to the value of the SICAV's assets at the close of the last year to date in which performance fees were charged;

- and, in addition, a daily performance equal to that of the ICE BofAML 1-3 year Corporate index with the same subscription and redemption flows as the SICAV.

If, at the close of the financial year, the SICAV's assets (excluding variable management fees) exceed those of the benchmark fund, a performance fee will be charged equal to 20% of the difference in value between the SICAV's assets and the benchmark fund.

The performance fee will first be deducted after a period of 12 months or more.

Performance fees are accrued on each NAV calculation date and are levied with effect from the closing date of each financial year.

In the event that the Fund underperforms the benchmark index, the provision for management fees is adjusted by a reversal of provisions up to the level of the existing charge. These fees are directly charged to the income statement.

Where redemptions occur, the performance provision will be adjusted pro rata to the amounts redeemed, and the reversed provision will revert to the management company.

Only the contributions payable for the management of the UCI pursuant to Article L. 621-5-3 II 3° d) of the French Monetary and Financial Code (*Code monétaire et financier*) and any exceptional legal costs related to debt recovery are outside the scope of the four blocks of charges referred to above.

Repurchase agreements are executed at market prices.

All revenue resulting from efficient portfolio management techniques, net of direct and indirect operating costs, is returned to the SICAV. All costs and fees relating to these management techniques are borne by the SICAV.

With the exception of brokerage fees and accounting management costs, all of the charges referred to above are levied as part of the joint venture arrangement between Lazard Frères Banque and Lazard Frères Gestion SAS which since 1995 has enabled them to pool their financial control, administration, securities custody and execution resources.

For further information, shareholders may refer to the annual report.

17 – Outline of the intermediary selection procedure


The intermediaries used in fixed-income management are selected using a range of evaluation criteria:

- Quality of order execution and negotiated prices;
- Quality of operational service in processing orders;
- Coverage of information when monitoring markets;
- Quality of macroeconomic and financial research.

The fixed-income managers report at least twice a year to the management company's Broker Committee, with an assessment of the services provided by the various brokers and a breakdown of transaction volumes. The Broker Committee approves any updates to the list of authorised brokers.

Information about the use of investment decision-making support and order execution services can be found on the management company's website (www.lazardfreresgestion.fr).

III - SALES AND MARKETING INFORMATION

Publication of information about the SICAV:	Lazard Frères Gestion SAS 25, rue de Courcelles, 75008 Paris, France Customer Relations  Tel: +33 (0)1 44 13 01 79
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Information regarding environmental, social and corporate governance (ESG) issues is available on the management company's website (www.lazardfreresgestion.fr) and will be included in the SICAV's annual report.

The management company may send, directly or indirectly, information on the composition of the Fund's assets to the Fund's shareholders for purposes related solely to shareholders' regulatory obligations. This information will be sent, where applicable, within a period not less than 48 hours after publication of the NAV.

IV – INVESTMENT RULES

The SICAV's investment rules are laid down in the regulatory section of the French Monetary and Financial Code (Code Monétaire et Financier).

V – AGGREGATE RISK

The SICAV's aggregate risk is calculated using the commitment method.

VI – ASSET VALUATION AND ACCOUNTING RULES

1 – Asset valuation rules

➤ **Financial instruments and securities traded on a regulated market are valued at their market price.**

- **Shares and similar securities** are valued on the basis of the last known price on their main market.

If applicable, prices are translated into euros using the exchange rate prevailing in Paris on the valuation day (as published by WM Closing).

- **Fixed-income securities**

Fixed-income securities are for the most part marked to market based on either Bloomberg prices (BGN)® derived from averages of contributed prices, or on those of direct contributors.

There may be a discrepancy between the carrying amounts, valued as indicated above, and the actual disposal prices that would be obtained if a portion of these portfolio assets were to be sold.

- **Bonds and similar instruments** are valued on the basis of the average of the closing prices gathered from several contributors.

Financial instruments whose prices have not been determined on the valuation date or whose prices have been adjusted are valued at their probable trading price under the responsibility of the SICAV's board of directors.

These estimates and their supporting documentation will be provided to the statutory auditor during audits.

However, the following instruments are valued using the following specific methods:

- **Negotiable debt securities:**
- **Negotiable debt securities with a residual maturity of more than three months :**
Negotiable debt securities traded in large volumes are valued at market price. In the absence of significant trading volumes, these securities are valued using an actuarial method, with a benchmark rate plus, where applicable, a margin representative of the issuer's intrinsic features.

Benchmark rate	
Negotiable debt securities in euros	Negotiable debt securities in other currencies
Euribor, overnight indexed swaps (OIS) and French treasury bills (BTF) - 3 – 6 – 9 – 12 months Fixed-rate treasury bills with annual interest (BTAN) - 18 months, 2 – 3 – 4 – 5 years	Main official rates of the countries concerned.

- **Negotiable debt securities with a residual maturity of three months or less:**

Negotiable debt securities with a residual maturity of three months or less are valued using the straight-line method. However, this method would not be applied if any of these securities were particularly sensitive to market movements.

- **UCIs:**
 - Units or shares of UCIs are valued at the last known net asset value.
 - Units or shares of UCIs for which net asset values are published monthly may be valued on the basis of interim net asset values calculated from estimated prices.
- **Temporary purchases and sales of securities**
 - Securities purchased under repurchase agreements are valued at their contract price using an actuarial method with a benchmark rate (overnight Eonia, one- or two-week interbank rates, one- to 12-month Euribor) corresponding to the term of the contract.
 - Securities sold under repurchase agreements continue to be valued at their market price. Liabilities on securities sold under repurchase agreements are calculated using the same method as that used for securities purchased under repurchase agreements.
- **Futures and options**
 - Futures and options are valued on the basis of intraday trading prices the timing of which is based on that of the valuation of the underlying assets.

Positions taken on the futures or options markets and over the counter are valued at their market price or at the value of the equivalent underlying asset.

1.1. Financial instruments and securities not traded on a regulated market

All of the SICAV's securities are traded on regulated markets.

1.2. Valuation methods for off-balance sheet commitments

- Off-balance sheet transactions are valued at the commitment value.
- The commitment value for futures contracts is equal to the price (in the SICAV's currency) multiplied by the number of contracts multiplied by the face value.
- The commitment value for options is equal to the price of the underlying security (in the SICAV's currency) multiplied by the number of contracts multiplied by the delta multiplied by the face value of the underlying security.
- The commitment value for swaps is equal to the face value of the contract (in the SICAV's currency).

2 – Accounting policies

- **Income from fixed-income securities**
 - Income from fixed-income securities is recorded on the basis of accrued interest.
- **Management fees**
 - Management fees are calculated on each valuation day.
 - The annual management fee rate is applied to gross assets (equal to net assets before deduction of the day's management fees) less UCIs managed by Lazard Frères Gestion SAS using the following formula:

$$\text{(Gross assets – UCIs managed by Lazard Frères Gestion SAS)} \times \text{operating and management fees rate}$$

$$x \quad \frac{\text{no. of days between the calculated NAV and the previous NAV}}{365 \text{ (or 366 in a leap year)}}$$

- This amount is then recorded in the SICAV's income statement.
- The SICAV pays the operating fees, which include:
 - . financial management;
 - . administration and accounting;
 - . custody services;
 - . other operating fees:
 - . statutory auditors' fees;
 - . legal notices (BALO, Petites Affiches, etc.) if applicable.

These fees do not include transaction charges.

▪ **Transaction charges**

Transactions are recorded excluding charges.

▪ **Retrocessions received on management fees or entry charges**

The method used to calculate retrocession amounts is set out in the sales and marketing agreements.

- If the amount is significant, a provision is recognised in account 619.
- The final amount is recognised upon settlement of invoices after reversal of any provisions.

- **Method related to swing pricing adjustments to net asset value (NAV) with a trigger level:**
 In order to protect the Fund's long-term shareholders, a swing factor will be applied to subscriptions and redemptions that have a significant impact on the Fund's outstandings, which may generate costs for shareholders entering and leaving the Fund that would otherwise have been allocated across all shareholders in the Fund. Therefore, if, on a particular NAV calculation date, the total net subscription/redemption orders of investors across all categories of units in the Fund exceeds a threshold predetermined by the management company on the basis of objective criteria and expressed as a percentage of the net assets in the Fund, the NAV may be adjusted upwards or downwards to take account of the readjustment costs attributable to the net subscription/redemption orders. The NAV of each unit category shall be calculated separately, but any adjustment shall have an identical impact, expressed as a percentage, on all of the NAV calculations of each unit category in the Fund. The cost parameters and trigger level shall be determined by the management company and shall be reviewed periodically, and at least every six months. These costs shall be estimated by the management company based on transaction fees, bid/offer spreads and tax charges applicable to the Fund. Insofar as this adjustment mechanism is linked to the net balance of subscriptions/redemptions within the Fund, it is not possible to accurately predict a given time in the future at which it will be applied. Consequently, neither is it possible to predict the precise frequency at which the management company will have to make such adjustments, which shall not exceed 2,5% of the NAV. Investors should be aware that the volatility of the Fund's NAV may not reflect solely that of the securities in the portfolio arising from the application of swing pricing.

The Fund's Articles of Association

“LAZARD EURO SHORT DURATION”

Registered office: 121, Boulevard Haussmann, 75008 - Paris, France

Paris Trade and Companies Register No. 444 710 784

TITLE I

FORM – PURPOSE – NAME – REGISTERED OFFICES – TERM OF THE COMPANY

Article 1

FORM

An investment company with variable capital (*Société d'Investissement à Capital Variable* - SICAV) shall be formed among the holders of shares created hereinafter and shares to be subsequently created. The SICAV shall be governed notably by the provisions of the French Commercial Code concerning commercial business associations (*sociétés commerciales*) (Book II - Title II - Chapter V), the French Monetary and Financial Code (Book II - Title I - Chapter IV - section I - sub-section I), their implementing texts, subsequent texts and by these articles of association.

Article 2

PURPOSE

This company's object is to set up and manage financial instruments and deposits.

Article 3

NAME

The company's name is: “**LAZARD EURO SHORT DURATION**” followed by the reference “*Société d'investissement à Capital Variable*”, with or without the term “SICAV”.

Article 4

REGISTERED OFFICE

The registered office is established at 121, boulevard Haussmann, 75008 Paris, France.

Article 5

TERM

The company's term is 99 years, commencing from its registration with the Trade and Companies Register, except in the event that the SICAV is dissolved before the end of the term or extended pursuant to these regulations.

TITLE II

CAPITAL - CHANGES IN CAPITAL - FEATURES OF THE SHARES

Article 6

SHARE CAPITAL

The initial capital totals €74.857.203,78 divided into 24.158 shares making up two categories:

23 563 IC shares in the amount of €73 072 804,92

and 595 ID shares in the amount of €1 784 398,86

The IC and ID shares are fully paid up.

It was formed by contributions of all the assets of the Référence Obligataire mutual fund (*Fonds Commun de Placement – FCP*), valued at €74 857 203,78 on 18 December 2002,

divided into 24.158 units, of which 23 563 IC units with a net asset value of €3 101,16 per unit and 595 ID units with a net asset value of €2 998,98 per unit.
The shares may be combined or split upon the decision of the extraordinary shareholders' meeting.

Article 7

Changes in capital

The amount of capital may be changed as a result of the issue of new shares by the company and reductions following the redemption of shares by the company for shareholders who so request.

Article 8

ISSUANCE AND REDEMPTION OF SHARES

Shares may be issued at any time upon request of shareholders on the basis of the net asset value plus subscription fees, if any.

Redemptions and subscriptions shall be made under the conditions and in accordance with the procedures set out in the prospectus.

Redemptions may be made in cash and/or in kind. If the redemption in kind corresponds to a representative share of the assets in the portfolio, only the outgoing shareholder's written and signed agreement must be obtained by the UCI or management company. If the redemption in kind does not correspond to a representative share of the assets in the portfolio, all of the shareholders must provide their written signed agreement authorising the outgoing shareholder to obtain redemption of their shares against certain specific assets, as explicitly defined in the agreement.

As an exception to the foregoing, in cases where the UCI is an ETF, redemptions on the primary market may, if the portfolio management company agrees and provided that the interests of the shareholders are upheld, be made in kind under the conditions set out in the UCI's prospectus. The assets are then delivered by the issuer account keeper under the conditions set out in the UCI's prospectus.

Generally speaking, the redeemed assets are valued according to the rules set out in Article 9, and redemption in kind is based on the first net asset value following acceptance of the instruments in question.

All subscriptions to new shares must, under pain of being declared void, be fully paid up and the shares issued shall have the same dividend date as that of the existing shares on the issuance date.

Pursuant to Article L. 214-17-4 of the French Monetary and Financial Code, redemption by the company of its shares, and the issue of new shares, may be temporarily suspended by the board of directors in exceptional circumstances and if required in the interests of shareholders.

No shares may be redeemed if the net assets of the SICAV are less than the regulatory amount.

Pursuant to Article L. 214-7-4 of the French Monetary and Financial Code and Article 411-20-1 of the General Regulation of the French financial markets regulator (*Autorité des Marchés Financiers* - AMF), the management company may decide to put a cap on redemptions if warranted by exceptional circumstances and in the interest of the shareholders and the general public.

The method used for this capping mechanism and the measures for informing the shareholders must be described in detail.

Minimum subscription conditions may apply, as set out in the prospectus.

The UCI may cease to issue shares on a temporary or permanent basis, in part or in full, pursuant to the provisions set out in the third paragraph of Article L. 214-7-4 of the French Monetary and Financial Code, in objective situations that warrant the closure of

subscription such as cases where the maximum number of issued shares has been reached, the maximum amount of assets has been reached, or the subscription period has expired. If such partial or full closure is activated, the existing shareholders must be informed by all available means, including details of the threshold and objective situation that triggered the decision. In the case of partial closure, the existing shareholders must also be informed in detail of the methods by which they can continue to subscribe during this partial closure period. The shareholders must also be informed by all available means if the UCI or management company decide to discontinue the full or partial subscription closure period (when the activation threshold is no longer exceeded) or continue the closure period (change in the threshold or the objective situation that warranted implementation of the measure). Any change in the specified objective situation or in the activation threshold must always be in the interest of the shareholders. The existing shareholders must be informed by all means of the exact reasons for such changes.

Article 9 **CALCULATION OF NET ASSET VALUE**

The net asset value of the shares is calculated according to the valuation rules set out in the prospectus.

Further, if the shares are listed for trading, the exchange operator will calculate an instant indicative net asset value.

Contributions in kind may consist only of securities, stocks or contracts that are eligible to form the assets of UCITS; they are valued according to the valuation rules used to calculate the net asset value.

Article 10 **FORM OF THE SHARES**

The shares may have the form of bearer or registered shares, as selected by the subscriber.

Pursuant to Article L. 211-4 of the French Monetary and Financial Code, the securities must be registered in accounts kept by the issuer or an authorised intermediary, as the case may be.

Holders' rights will be represented by an entry in an account their name:

- with the intermediary of their choice for bearer securities;
- with the issuer and, if they so wish, with the intermediary of their choice for registered securities.

The company may, at its own expense, request the name, nationality and address of the SICAV's shareholders, as well as the number of securities held by each of them, in accordance with Article L. 211-5 of the French Monetary and Financial Code.

Article 11 **ADMISSION FOR TRADING ON A REGULATED MARKET AND/OR A MULTILATERAL TRADING SYSTEM**

The shares may be admitted for trading in a regulated market and/or a multilateral trading system, depending on the applicable regulations.

If the SICAV whose shares are admitted for trading in a regulated market has an investment objective based on an index, it must have set up a system to ensure that the price of its share does not deviate significantly from its net asset value.

Article 12 **RIGHTS AND OBLIGATIONS ATTACHED TO THE SHARES**

Each share confers the right, in proportion to the fraction of the share capital represented, to a share in the ownership of the company's assets and of the company's profits.

The rights and duties attached to a share shall be transferred to any owner thereof.

Whenever the exercise of a right is conditional upon a certain number of shares being held and specifically in the case of a swap or consolidation of shares, holders of individual shares or of less than the required number of shares may only exercise such rights if they personally undertake to consolidate their holdings and, if applicable, to buy or sell the necessary quantity of shares.

Article 13 **INDIVISIBILITY OF SHARES**

All co-owners of shares or assignees are required to be represented with the company by a single person named by mutual agreement or, failing such agreement, appointed by the Chief Judge of the Commercial Court with jurisdiction for the registered offices.

In cases where beneficial ownership and bare ownership are separated, the division of voting rights at shareholders' meetings between the beneficial owner and the bare owner is left to the discretion of the parties concerned, who should inform the company accordingly.

TITLE III

Administration and management of the company

Article 14 **Administration**

The company is administered by a board of directors with at least three and no more than 18 members, appointed by the shareholders' meeting.

During the life of the company, the directors shall be appointed or re-appointed by the ordinary shareholders' meeting.

The directors of the company may be natural persons or legal entities. In the case of a legal entity, on appointment, they must designate a permanent representative who is subject to the same conditions and obligations and bears the same civil and criminal liability as if they themselves were a member of the board of directors, without prejudice to the liability of the legal entity they represent.

This permanent mandate is given for the duration of the legal entity's own mandate. If the legal entity terminates the appointment of its representative, it must notify the SICAV immediately by registered mail and also inform the SICAV of the identity of its new permanent representative. The same shall apply in the event of the death, resignation or extended impediment of the permanent representative.

Article 15 **TERM OF OFFICE OF DIRECTORS - REPLACEMENT OF THE BOARD**

Subject to the provisions of the final paragraph of this article, the directors' term of office is three years for initial directors and up to six years for subsequent directors, with each year being understood as the period between two consecutive annual shareholders' meetings.

If one or more directors' seats become vacant between two shareholders' meetings as a result of death or resignation, the board of directors may make interim appointments.

A director appointed by the board on an interim basis to replace another shall remain in office only for the remaining term of office of his predecessor. This appointment shall be subject to ratification at the next shareholders' meeting.

All directors shall be eligible for re-election. They may be dismissed at any time by the ordinary shareholders' meeting.

Each director's term of office shall expire at the close of the ordinary shareholders' meeting called to approve the financial statements for the past financial year and held in the year during which the director's term of office expires, it being understood that, if the meeting is not held in that year, the term of office of the director concerned shall expire on December 31st of the same year, subject to the exceptions hereafter.

All directors may be appointed for a term of less than six years where necessary to ensure that changes are made as regularly as possible and that all members have changed by the end of each six-year period. This is notably the case if the number of directors is increased or decreased and the renewal frequency has been affected.

Where the number of members of the board of directors falls below the legal minimum, the remaining member or members must immediately call an ordinary shareholders' meeting in order to fill the vacant seats on the board.

The age limit for members of the board of directors is set at 80. Nevertheless, directors older than this age limit may in exceptional cases have their mandate renewed for a period of six years; no more than three directors may be renewed under these conditions.

In the event of the resignation or death of a director, and where the number of directors still in office is equal to or greater than the statutory minimum, the board may appoint a temporary replacement for the remaining term of office. The board of directors may be renewed by rotation.

Article 16 Bureau of the board

The board shall elect a chairman from among its members for a term determined by it, but which may not exceed the chairman's term of office as a director. The chairman must be an individual.

The chairman of the board of directors shall organise and direct the board's activities, and shall report on these to the shareholders' meeting. The chairman shall oversee the smooth operation of the company's management bodies and in particular shall ensure that the directors are capable of fulfilling their duties.

If it deems it appropriate, the board of directors may also appoint a vice-chairman and may also choose a secretary, who need not be a member of the board.

In the event of the temporary incapacity or death of the chairman, the board of directors may agree to delegate the chairman's functions to a director.

Article 17 Board meetings and deliberations

The board of directors shall meet when convened by the chairman, as often as the company's interests require, either at the registered offices or at any other location indicated in the notice of meeting.

Whenever the board has not met for more than two months, at least one-third of its members may ask the chairman to convene a meeting based on a specific agenda. The chief executive officer may also ask the chairman to convene a board of directors' meeting to deal with a specific agenda. The chairman is bound by such a request.

Company bylaws may determine, in accordance with legal and regulatory provisions, the conditions for organising meetings of the board of directors, which except when held for the adoption of resolutions that are expressly excluded from this option under the French Commercial Code, may take place via video-conference.

Invitations may be sent to the directors by post or verbally.

A quorum of at least half the members is required in order for decisions to be valid. Decisions are adopted by a majority vote of members present or represented. Each director holds one vote. In the case of a split-vote, the chairman has the casting vote.

Where video-conferencing is permitted, the company's articles of association may stipulate, in accordance with the regulations in force, that directors participating in a board of directors' meeting via video-conference are deemed present for the purpose of quorum and majority calculations.

Article 18 Minutes-

Minutes are written up and copies or excerpts of decisions are issued and certified as required by law.

Article 19 Powers of the board of directors

The board of directors steers the company's activity and oversees correct execution. Within the limits of the corporate object and subject to the powers expressly granted by law to shareholders' meetings, the board shall consider any issue that affects the proper operation of the company and settle any matters concerning the company through its decisions.

The board of directors shall carry out such controls and audits that it considers appropriate.

The chairman or the chief executive officer is required to provide each director with all documents and information needed to perform his or her duties.

A director may authorise another director to represent him at a meeting of the board of directors.

Each director shall have only one such power of attorney during a single session.

The provisions set out above shall apply to permanent representatives of directors who are legal entities.

Article 20 EXECUTIVE MANAGEMENT – NON-VOTING BOARD MEMBERS

The executive management of the company shall be the responsibility of the chairman of the board of directors or of another natural person appointed by the board of directors and holding the title of chief executive officer.

The choice of these two methods shall be made in accordance with the terms of these articles of association by the board of directors for a term that shall run until the expiry of the functions of the current chairman of the board of directors. Shareholders and third parties shall be informed of this choice under the conditions defined by the applicable legislative and regulatory provisions.

Based on the board of directors' choice as stipulated above, the company will be managed by either the chairman or a chief executive officer.

When the board of directors decides to separate the functions of chairman and chief executive officer, it shall appoint a chief executive officer and shall decide on his/her term of office.

If the chairman of the board of directors assumes responsibility for the executive management of the company, the following provisions regarding the chief executive officer shall apply.

Subject to the powers expressly attributed by law to shareholders' meetings as well as those specifically reserved by law to the board of directors, and within the limits of the corporate

purpose, the chief executive officer is vested with the broadest powers to act in all circumstances on behalf of the company. He shall exercise these powers within the limits of the corporate object and subject to the powers expressly attributed by law to shareholders' meetings and the board of directors. He shall represent the company in its dealings with third parties.

The chief executive officer may authorise any partial delegation of his powers to any person of his choice.

The chief executive officer may have his/her appointment revoked at any time by the board of directors.

At the request of the chief executive officer, the board of directors may appoint up to five deputy chief executive officers to assist the chief executive officer.

Deputy chief executive officers may be removed from office at any time by the board upon the recommendation of the chief executive officer.

In agreement with the chief executive officer, the board of directors shall determine the scope and duration of the powers delegated to deputy chief executive officers.

Such powers may include a right of partial delegation. If the chief executive officer resigns or is dismissed or is unable to perform his duties, the deputies shall retain their powers and positions, unless the board decides otherwise, until the appointment of a new chief executive officer.

Deputy chief executive officers shall have the same powers vis-à-vis third parties as the chief executive officer.

The age limit of the chief executive officer and deputy chief executive officers is set at 65.

The shareholders' meeting may appoint one or more non-voting board members.

The term of office for non-voting board members is six years. It shall expire at the close of the ordinary shareholders' meeting called to approve the financial statements for the past financial year and held in the year during which the non-voting board members' term of office expires.

Non-voting board members may be re-elected at any time without limitation; they may be removed from office at any time upon the decision of the shareholders' meeting.

In the event of the death or resignation of one or more non-voting board members, the board of directors may co-opt their successor(s), this provisional appointment being subject to ratification at the next shareholders' meeting.

Non-voting board members are responsible for ensuring the strict enforcement of the articles of association. They attend the board of directors' meetings in a consultative role. They examine statements of assets and liabilities and the annual financial statements and offer their comments on these matters to the shareholders' meetings when they consider it appropriate to do so. Remuneration of non-voting board members is decided upon by the board.

Article 21

Board allocations and remuneration

Directors and non-voting board members may be allocated an annual lump sum for attendance at board meetings, the amount of which shall be determined by the ordinary shareholders' meeting. This amount, which shall be charged to overheads, shall remain unchanged until further decision.

The board of directors may also allocate special payments for tasks and duties assigned to directors; any such payments will be charged to operating expenses and subject to the approval of the ordinary shareholders' meeting.

No other permanent or other type of remuneration may be allocated to the directors unless they hold an employment contract with the company under the conditions set out by law.

Article 22 CUSTODIAN

The custodian is appointed by the board of directors.

The custodian performs the tasks for which it is responsible under applicable laws and regulations as well as those assigned to it contractually by the SICAV or the management company. In particular, the custodian must ensure that the decisions of the management company are lawful. It shall take any protective measures it considers appropriate. In the event of a dispute with the management company, it shall inform the AMF.

Article 23 THE PROSPECTUS

The board of directors or, where the SICAV has delegated full responsibility for management, the management company, has all necessary powers to make, as needed, any amendments to the prospectus to ensure the proper management of the company, pursuant to the legislative and regulatory provisions specific to SICAVs.

TITLE IV

STATUTORY AUDITORS

Article 24 APPOINTMENT - POWERS - REMUNERATION

The statutory auditor is appointed by the board of directors for a term of six financial years, following AMF approval, from among persons authorised to perform such duties in commercial companies.

The statutory auditor shall certify that the financial statements give a true and fair view of the company.

The statutory auditor's term may be renewed.

The statutory auditor has a duty to report promptly to the AMF any fact or decision concerning the Fund of which he has become aware in the course of his duties and which is liable to:

- 1° Constitute a breach of the laws or regulations that apply to that fund and that is likely to have significant effects on its financial situation, profits or assets;
- 2° Affect the conditions or the continuity of its operations;
- 3° lead to the expression of reservations or refusal to certify the accounts.

The statutory auditor shall oversee the valuation of assets and the calculation of exchange ratios used in the event of a conversion, merger or split.

The statutory auditor shall assess any contribution under his own responsibility.

He shall verify the accuracy of the composition of assets and other information prior to publication.

The statutory auditor's fees shall be set by mutual agreement between the statutory auditor and the SICAV's board of directors, on the basis of a work schedule setting out the procedures deemed necessary.

The statutory auditor shall certify the positions used as the basis for the distribution of interim dividends.

TITLE V

SHAREHOLDERS' MEETINGS

Article 25 Share holders' meetings

Shareholders' meetings shall be convened and shall deliberate under the conditions provided for by law.

The annual shareholders' meeting, which must approve the company's financial statements, must be held within four months of the close of the financial year.

Meetings shall be held either at the registered offices or at any other location specified in the notice of meeting.

Each shareholder may participate in the shareholders' meetings, either in a personal capacity or by appointing another person as proxy, subject to proof of identity and share ownership either in the form of registration in the registered share accounts held by the company or of registration in the bearer securities registry, at the places specified in the notice of meeting; these formalities must be completed two days before the meeting date.

A shareholder may be represented at a meeting in accordance with Article L. 225-106 of the French Commercial Code.

A shareholder may also vote by correspondence under the conditions set out in the regulations in force.

Shareholders' meetings shall be chaired by the chairman of the board of directors or, in his absence, by a vice-chairman or a director appointed by the board for that purpose. Failing this, the shareholders' meeting shall elect the chairman itself.

Minutes of meetings shall be written up and copies certified and issued as required by law.

TITLE VI

ANNUAL FINANCIAL STATEMENTS

Article 26 FINANCIAL YEAR

The financial year begins on the day after the last trading day in Paris in September and ends on the last trading day in Paris in the same month of the following year.

However, by way of exception, the first financial year shall include all operations carried out between the inception date and September 30th, 2003.

Article 27 APPROPRIATION OF DISTRIBUTABLE INCOME

Distributable income consists of:

- 1) net income plus retained earnings, plus or minus the balance of the revenue adjustment account;

Net income for the financial year is equal to the amount of interest, arrears, dividends, bonuses and prizes, directors' fees and all income generated by the

securities that make up the SICAV's portfolio, plus income generated by temporary cash holdings and minus management fees and borrowing costs.

- 2) realised capital gains, net of charges, minus realised capital losses, net of charges, recognised for the financial year, plus any net capital gains of the same kind recognised over previous years that have not been distributed or accumulated, plus or minus the balance of the capital gains adjustment account.

The amounts referred to in 1) and 2) may be distributed independently of each other, in whole or in part.

Details of the relevant process are provided in the prospectus under the section entitled "Allocation of distributable income".

TITLE VII

EXTENSION - DISSOLUTION - LIQUIDATION

Article 28 EXTENSION OR EARLY DISSOLUTION

The board of directors may, at any time and for any reason, recommend the extension, early dissolution or liquidation of the SICAV to an extraordinary shareholders' meeting.

This issue of new shares and the redemption by the SICAV of shares for shareholders who so request shall cease on the date of publication of the notice of the shareholders' meeting at which a resolution for the early dissolution or liquidation of the company is considered, or at the end of the company's term.

Article 29 LIQUIDATION

Liquidation procedures are established in accordance with Article L. 214-12 of the French Monetary and Financial Code.

At the end of the term set by the articles of association or in the case of a resolution for early dissolution, the shareholders' meeting shall decide, on the recommendation of the board of directors, the method of liquidation and shall appoint one or more liquidators.

The liquidator shall represent the company. The liquidator is authorised to pay the creditors and divide out the available balance. The appointment of the liquidator shall terminate the powers held by the directors, but not those held by the statutory auditor.

The liquidator may, pursuant to a resolution of the extraordinary shareholders' meeting, contribute all or part of the assets, rights and obligations of the dissolved company to another company, or transfer such assets, rights and obligations to a company or to any other person.

The net proceeds from the liquidation, after settlement of liabilities, shall be distributed in cash or securities among the shareholders.

During the liquidation process, the duly constituted shareholders' meeting shall retain the same authority as during the life of the company, including in particular the power to approve the liquidation accounts and discharge the liquidator.

TITLE VIII

DISPUTES

Article 30 JURISDICTION - ELECTION OF DOMICILE

Any disputes that may arise during the company's operations or at the time of its liquidation, either between shareholders and the company or among the shareholders themselves, concerning the business of the company, shall be judged in accordance with the law and submitted to the courts with jurisdiction over the registered office.

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Latest version of the document: March 9th, 2020