

**ARTICLES OF ASSOCIATION  
OF  
SPECIAL CLOSED-ENDED TYPE PRIVATE CAPITAL INVESTMENT COMPANY  
INVL TECHNOLOGY**

The Articles of Association were signed in Vilnius on \_\_\_\_\_ 2016.

Authorised person

## I. GENERAL INFORMATION ABOUT THE COMPANY

1. These Articles of Association of the Company were prepared following the Law of the Republic of Lithuania on Collective Investment Undertakings, the Law of the Republic of Lithuania on Securities, the Law of the Republic of Lithuania on Companies, the Law of the Republic of Lithuania on Markets in Financial Instruments, the Civil Code of the Republic of Lithuania and other legal acts.
2. The Company is a special closed-ended type private capital investment company.
3. **Investments into Shares of the Company are related to higher than average, long-term risk.**
4. Redemption of Shares of the Company is limited. Shares of the Company shall not be redeemed at the Shareholders' request during the Term of Activities of the Company.
5. A financial year of the Company coincides with a calendar year.
6. Shares of the Company shall be offered to the public under the procedure set in the Law of the Republic of Lithuania on Securities.
7. The type of the Company shall be a closed-ended type investment company.
8. The legal form of the Company shall be a public limited liability company.
9. The name of the Company shall be closed-ended type investment company INVL Technology.

## II. TERMS USED IN THE ARTICLES OF ASSOCIATION

10. Capitalised terms used in the Articles of Association shall have the meanings defined in this section of the Articles of Association. Section II of the Articles of Association presents only the main terms used in the Articles of Association. The Articles of Association may also give explanations or definitions of other terms.
  - 10.1. **Share** shall mean an ordinary registered non-certificated share of the Company with the nominal value of EUR 0.29.
  - 10.2. **Shareholder** shall mean a natural person or legal entity that holds Shares of the Company.
  - 10.3. **Accounting Policy** shall mean the accounting principles and methods intended for keeping accounts and drawing up of financial statements of a closed-ended type investment company.
  - 10.4. **Company** shall mean closed-ended type private capital investment company INVL Technology, Shares of which shall be issued and redeemed under the procedure set by the Articles of Association.
  - 10.5. **Financial Year of the Company** shall mean a calendar year.
  - 10.6. **Term of Activities of the Company** – the Company shall operate for 10 years after obtaining a license for the Company. The Term of Activities of the Company can be extended for no more than 2 years, under the procedure set in the Articles of Association.
  - 10.7. **Business Day** shall mean a calendar day, except for public holidays and days off in the Republic of Lithuania.
  - 10.8. **Depository** shall mean AB SEB Bankas, data about which is collected and kept in the Register of Legal Entities of the Republic of Lithuania, holding banking license No. 2 issued by the Bank of Lithuania.
  - 10.9. **DCF** shall mean discounted cash flow calculation method, which is used to recalculate (discount) future cash flows into the present value at the discount rate set in line with the company risk and the country risk.

- 10.10. **Material Event** shall mean an event, information related to the Company that the Company is or must be aware of, disclosure of which can have a big effect on the market price of the Shares issued by it.
- 10.11. **Material Change** shall mean material changes in the activities of the Company, as indicated in Articles 100 of these Articles of Association.
- 10.12. **Euro** or **EUR** shall mean the official currency of the Member States of the European Union that are members of the European Economic and Monetary Union.
- 10.13. **Financial Instruments** shall have the meaning defined in the Law of the Republic of Lithuania on Markets in Financial Instruments.
- 10.14. **Net Asset Value** shall mean the difference between the value of assets owned by the Company and long-term and current liabilities of the investment company.
- 10.15. **Investment Period** shall mean 5 (five) years after obtaining a license for the Company.
- 10.16. **Financial Derivatives** shall mean financial derivatives for a special collective investment undertaking, as it is defined in the Law of the Republic of Lithuania on Collective Investment Undertakings.
- 10.17. **Articles of Association** shall mean this document.
- 10.18. **Operational Company** shall mean a company directly managed by the Company or SPV, which is engaged in the business of information technologies or business process outsourcing and which is not a special purpose vehicle, the sole purpose of which is to invest into investment objects of the Company.
- 10.19. **Money Market Instruments** shall mean money market instruments for a special collective investment undertaking, as it is defined in the Law of the Republic of Lithuania on Collective Investment Undertakings.
- 10.20. **Offeror** shall mean a person, performing sale of Shares of the Company under an agreement with the Management Company, also performing other actions set in the agreement with the Management Company.
- 10.21. **Supervisory Authority** shall mean the Bank of Lithuania, which performs the functions of licensing and supervising activities of management companies and collective investment undertakings under the procedure set by legal acts of the Republic of Lithuania.
- 10.22. **Prospectus** shall mean a document prepared in accordance with the Law of the Republic of Lithuania on Securities, where main information about Shares offered by the Company is presented to Shareholders, potential Shareholders and the public.
- 10.23. **Success Fee** shall mean a fee payable to the Management Company for exceeding the requested minimal return to be earned for investors.
- 10.24. **SPV** shall mean a special purpose vehicle managed by the Company directly or indirectly, which is controlled by the Company by exercising direct decisive influence on it, the sole purpose of which is to invest into investment objects of the Company.
- 10.25. **IAS** shall mean the International Accounting Standards, as they are defined in Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards: the International Accounting Standards (IAS), the International Financial Reporting Standards (IFRS) and interpretations pertaining to them, subsequent amendments to these standards and interpretations pertaining to them, future standards and interpretations pertaining to them, which are announced or adopted by the International Accounting Standards Board.

- 10.26. **Management Company** shall mean a legal entity, with which the Company enters into a management agreement. When the term “Management Company” is used in these Articles of Association, it shall be deemed that the Management Company acts on behalf of the Company.
- 10.27. **Management Fee** shall mean the fee for management of assets of the Company payable to the Management Company.
- 10.28. **Performance of Activities** shall mean performance of activities by an Operation Company in a specific state, if the Operational Company earns income, pays taxes in that state, has employees, performs research, provides services or performs activities of any other similar type in that territory.

### **III. PURPOSES OF ACTIVITIES AND TYPE OF ACTIVITIES OF THE COMPANY**

11. The purpose of the Company is to accumulate Shareholders’ funds by public offering of Shares under the procedure set in these Articles of Association and, diversifying the risk, to invest them collectively into assets indicated in these Articles of Association in compliance with investment requirements indicated in legal acts. For this purpose, the Company shall rationalise the structure of the investment portfolio, shall perform investment and reinvestment activity, shall perform supervision over economic – financial activities of controlled companies.
12. The Company shall operate as a closed-ended type investment company under the procedure set by legal acts.
13. The Company shall perform economic and commercial activities following legal acts of the Republic of Lithuania and these Articles of Association.
14. The Shares of the Company are admitted to trading on the NASDAQ Vilnius stock exchange.
15. Management of the Company shall be assigned to the Management Company, whereas assets of the Company shall be transferred to the Depository for keeping. The Company shall transfer equity securities of Operational Companies acquired by it directly and assets acquired by SPV directly to be kept in the Depository. Assets possessed and/or managed by Operational Companies shall not be considered assets of the Company and the Depository shall not perform keeping, supervision or control functions in respect of such assets.

### **IV. INVESTMENT STRATEGY OF THE COMPANY**

16. The purpose of the Company is to accumulate and invest the Shareholders’ funds in order to rationalise the structure of the investment portfolio (including improvement of management of Operational Companies, encouraging mutual cooperation among Operational Companies, etc.); to perform the activity of investment and reinvestment into investment objects; to perform supervision over economic – financial activities of controlled companies.
17. Diversifying investments and managing the risk, the Management Company shall seek to reduce the risk and to prevent possible reduction of investments and to create value by selecting investment objects and making use of other market participants’ experience.
18. The aim sought by the Company is to earn return for Shareholders’ benefit from investments into Operational Companies, which are registered or perform activities in a Member State of the European Union (the European Economic Area), Member States of the Organisation for Economic Cooperation and Development (OECD) and in Israel. For avoidance of doubt, Operational Companies can control/acquire companies in countries other than those indicated in this article, but that shall not be regarded as performance of activities of an Operational Company beyond the limits of the States indicated in this article.

19. The Management Company shall invest at least 70 percent of the Net Asset Value of the Company directly or by use of SPVs into shareholdings in Operational Companies indicated in Article 18 of these Articles of Association, enabling it to control Operational Companies or exercise decisive influence on them (after conclusion of the shareholders agreement or acting in concert with other investors or management of such companies).
20. Investing directly or by use of SPVs, the Management Company (on behalf of the Company) shall contribute to development of the companies and creation of value, i.e. will seek development of the business of such companies, more effective management of them and distribution of available resources and optimal processes of activities of such companies, enabling to expect successful development, increase of the market share, increase in profitability and other factors pertaining to long-term activities of such companies, implementation of goals. The Management Company will invest assets of the Company into Operational Companies for a definite period, seeking to sell their securities at a profit (due to increase in the value of companies) during the effective Term of Activities of the Company. The Management Company can take a decision to invest funds of the Company into Operational Companies it already has for 2 additional years after the end of the Investment Period.
21. Seeking to increase return from investments and ensure supervision over investments, the Management Company shall seek to participate in the management of investment objects as a member of the advisory body, management body of the company or in another form depending on specifics and geography of activities of a specific company. The Management Company shall also, involving its human resources, experience in the market and network of professional contacts, if necessary, will delegate professionals in a relevant field, who are of sufficiently good repute, to management bodies of investment objects, in order to ensure implementation of strategic goals and exploiting the potential of investment objects.
22. The Management Company shall manage the portfolio of investment instruments of the Company following these main principles of diversification (the conformity of the portfolio of investment instruments of the Company to the following principles shall be achieved within four years after obtaining a license for a closed-ended type investment company):
  - 22.1. No more than 30% of the Net Asset Value of the Company can be invested:
    - 22.1.1. into transferrable securities or money market instruments of any newly established company and/or into transferrable securities or money market instruments issued by an existing company, that are not entered onto the trade list of the market, which according to the Law of the Republic of Lithuania on Markets in Financial Instruments is considered regulated and operating in the Republic of Lithuania or in another Member State of the European Union (European Economic Area).
    - 22.1.2. into transferrable securities or money market instruments of any newly established company and/or into transferrable securities or money market instruments issued by an existing company, which are not admitted to trading on the market operating, recognised, supervised and available to the public according to rules set in another Member State or State.
  - 22.2. No more than 30% of the Net Asset Value of the Company can be invested:
    - 22.2.1. into deposits issued by one person for a term no longer than 12 months, which, upon demand, can be withdrawn in a credit institution, the registered office of which is in a Member State or another State, where risk-limiting supervision is no less strict than in the European Union;
    - 22.2.2. into financial derivatives, which are admitted to trading on the multilateral trading facility, but which are not admitted to trading in the markets indicated in Articles 22.1.1 - 22.1.2 hereof and where the other party to the transactions, conducted outside the markets indicated in Articles 22.1.1 - 22.1.2 hereof, meets criteria established by the Supervisory Authority and is subject to risk-limiting supervision and which can be checked, assessed reliably and

- accurately every day and sold or otherwise realised in return for a consideration at their fair value at any time;
- 22.2.3. into investment objects provided for in paragraph 4 of Article 141 of the Law of the Republic of Lithuania on Collective Investment Undertakings and issued by one person, including investment units and/or shares of closed-ended type collective investment undertakings, if the investment strategy of such collective investment undertakings, requirements for diversification of their investments and the period of their activities are in line with the Company's investment strategy, requirements for diversification of investments and the period of activities or the Company has a possibility to get back its investments at any time;
- 22.2.4. into investment units and/or shares of collective investment undertakings issued by one person, if these collective investment undertakings:
- 22.2.4.1. the sole purpose of such undertakings is to accumulate persons' funds by public offering of investment units or shares and by splitting them to collectively invest them into transferrable securities and/or the planned liquid assets and investments units or shares of which must be redeemed at any time upon request of their holder, these undertakings are licensed in the Republic of Lithuania and their supervision is no less strict than in the European Union or licensed in such a State, where supervision is no less strict than in the European Union, and the Supervisory Authority cooperates with the relevant supervisory authority of another Member State or third country;
- 22.2.4.2. protection of rights of participants in the undertakings, including regulation of separation of assets, borrowing, lending and gratuitous transfer of assets, is no less strict than established for harmonised collective investment undertakings according to the Law of the Republic of Lithuania on Collective Investment Undertakings;
- 22.2.4.3. the undertakings present semi-annual and annual reports on their activities, enabling to assess their assets and liabilities, profit and activities during a reporting period;
- 22.2.4.4. no more than 10 percent of their net assets, according to their documents of incorporation, can be invested into investment units or shares of other collective investment undertakings.
- 22.3. For avoidance of doubt, the total amount of the investments indicated in Article 22 hereof into transferrable securities, money market instruments, deposits issued by one person and liabilities arising out of transactions on financial derivatives with that person, cannot be more than 30 percent of the Net Asset Value of the Company.
- 22.4. Assets of the Company will not be invested into transferrable securities or money market instruments of companies, that are entered onto the trade list of the market, which according to the Law of the Republic of Lithuania on Markets in Financial Instruments is considered regulated and operating in the Republic of Lithuania or in another Member State of the European Union (European Economic Area), or into transferrable securities or money market instruments of companies, which are admitted to trading on the market operating, recognised, supervised and available to the public according to rules set in another Member State or another State.
23. For the sake of efficiency of the Company's activities and control over its investments, an Investment Committee shall be formed by a decision of the Board of the Management Company. The Investment Committee shall consist of 4 (four) members, representatives of the Management Company (employees, members of management bodies of the Management Company, other persons appointed by a decision of the Board of the Management Company) shall be appointed to their positions. Members of the Investment Committee shall be appointed by a decision of the Management Company. Members of the Investment Committee shall be appointed and removed from office by the Board of the Management

- Company. An approval of the Investment Committee must be obtained for all investments of the Company (directly to an Operation Company or through an SPV) and for their sale.
24. The procedure of formation, responsibilities, functions of the Investment Committee, decision-making procedure and other procedures of the Investment Committee shall be set in the regulations of the Investment Committee. The regulations of the Investment Committee shall be made public on the Company's website [www.invltechnology.lt](http://www.invltechnology.lt).
  25. For the sake of efficiency of activities of the Company, an Advisory Committee may be formed by a decision of the Board of the Management Company. The purpose of the Advisory Committee is to ensure having knowledge about and knowing the specifics of various fields, into which the Company's assets may be invested (directly to an Operation Company or through an SPV). The Advisory Committee shall present its opinion and conclusions to the Investment Committee regarding investments of the Company.
  26. The procedure of formation, responsibilities, functions of the Advisory Committee, decision-making procedure and other procedures of the Advisory Committee shall be set in the regulations of the Advisory Committee, which shall be made public on the Company's website [www.invltechnology.lt](http://www.invltechnology.lt).
  27. The strategy of investment of the Company's assets provided for in the Articles of Association can be changed by making relevant amendments to the Articles of Association by a decision of the general meeting of shareholders.
  28. In case of an essential change in the Company's investment strategy, all the Shareholders must be informed about that in writing at least 3 months in advance. In such cases, the Shareholders must be given a possibility to demand redemption of the Shares owned by them without any additional deductions within a sufficient period of time, which cannot be shorter than 2 months after properly informing the Shareholders about the planned change of the investment strategy of the Company (redemption of the Shares shall be performed following Article 91 of these Articles of Association). Shareholders must be informed about this right by submitting a notification about the planned change of the investment strategy of the Company.
  29. An investment object(s) of the Company (both managed directly or by use of an SPV) can be transferred only subject to prior consent of the Depository. Consents of the Depository indicated in this article hereof are not required if assets of the Operational Company, equity securities of which are kept with the Depository, are transferred.
  30. The Company may own investment objects directly and it may own securities of SPVs. When investing through an SPV, the Depository is to be provided with all documents in connection with investments into the SPV in order that the Depository could perform its functions provided for in legal acts.
  31. If necessary, funds may be borrowed in the name of the Company in order to additionally finance investment objects acquired by the Company (or companies controlled by use of an SPV) and in this way seek higher investment return. The Management Company can take a decision to borrow in the name of the Company up to 80 percent of the Net Asset Value as on the date of entry into the loan agreement. Loan agreements of the Company must expire no later than 3 months until the end of the Term or extended Term of Activities of the Company.
  32. The Company shall not use a benchmark.
  33. After incorporation of the Company, its investment portfolio can fail to meet the set diversification requirements for 4 years after the date when the Supervisory Authority issued a permit to approve documents of its incorporation and choose a depository. In all cases, the right not to meet the set diversification requirements does not cancel the duty of the Management Company to invest assets of the Company in compliance with requirements set in Articles 18 - 21 hereof.

34. If after the end of the term set in Article 33 hereof investment requirements are violated for reasons that the Management Company cannot control, any non-conformity must be eliminated as soon as possible, but in any case no later than within one year. This term can be longer only in exceptional cases, when the Management Company cannot correct the situation due to reasons beyond its control. In such a case, after the end of the one-year term, the Management Company must immediately inform the Supervisory Authority in writing about the situation and reasons for it. The notification must also indicate the expected date of fulfilment of the requirement.

## **V. INVESTMENT RISKS**

35. Investments into Shares of the Company are related to higher than average, long-term risk. The Company cannot guarantee that the Shareholders will get invested funds back.

### **General risk**

36. The value of investments into the Company can fluctuate significantly in the short term, depending on the situation in the market. Investments into the Company should be made for a long term in order that the Shareholder could avoid the risk of short-term price fluctuations.

Redemption of the Shares of the Company is limited, i.e. a Shareholder cannot demand that the Company or the Management Company, which took over its management, would redeem the Shares. But a Shareholder of the Company will have a possibility to sell Shares of the Company in the secondary market (cf. Articles 82 – 85 of the Articles of Association).

### **Risk of changes in the market of technologies**

37. The business of information technologies and the market related to information technologies change particularly quickly. Therefore, there is a risk that due to unforeseen changes in the market the value of investments of the Company or the investment return from investment objects of the Company can decrease, the development of companies acquired by the Company will take longer and/or will cost more than planned, therefore, the Company's investments will not be profitable and/or their value will decrease.

### **Risk of the management and human resources**

38. The success of the Company's investments will largely depend on heads of companies managed by the Company (directly or indirectly), also on decisions taken by persons in the Management Company who are responsible for management of the Company and on experience and capabilities of the said persons. There is no guarantee that the same employees will continue managing companies managed by the Company (directly or indirectly), as well as the Management Company throughout the whole Term of Activities of the Company.

### **Risk of conflicts of interest**

39. There is a risk that there will be situations when interests of the Management Company (or persons related to it) and the Company or Shareholders will differ or interests of individual Shareholders will differ, i.e. there will be a conflict of interest. When it is impossible to avoid a conflict of interest, the Management Company must ensure that Shareholders are treated fairly. Employees of the Management Company and other persons related to the Management Company and persons, directly or indirectly related to the Management Company by relationship of control, must immediately, as soon as they become aware of such information, notify the Investment Committee about a potential or existing conflict of interest. The Investment Committee, approving of investment decisions, shall take into account the information presented to it about potential or existing conflicts of interest. The Investment Committee shall immediately inform the head and the Board of the Management Company about conflicts of interest it is aware of.



Following legal acts regulating organisation of activities of collective investment undertakings, the Management Company has implemented appropriate measures for avoiding conflicts of interest, which enable to perform the activities of managing the risk of conflicts of interest and managing conflicts of interest independently, in order to avoid/reduce the risk of conflicts of interest or properly manage a conflict of interest when it occurs.

#### **Risk of liquidity of investments**

40. There is a risk that investments into Operational Companies will be relatively illiquid and finding buyers for such companies can take some time. Furthermore, financing conditions can become worse due to deteriorating economic condition of the world, a region or a country. Therefore, sale of the Company's investments can take longer than planned or their return may be less than planned. When investing into Operational Companies, securities issued by which (shares, bonds and other financial instruments) are not admitted to trading on regulated markets, there is a probability of facing a situation when sale of securities, due to absence of demand or other conditions in the market, can take longer than planned or not be as profitable as planned or may even cause losses.

#### **Risk of investments by Operational Companies**

41. Operational Companies can control/acquire companies in countries other than those indicated in Article 18 of these Articles of Association and that shall not be considered as performance of the Company's activities beyond the limits of the countries indicated in Article 18 of these Articles of Association. However, there is a risk that companies acquired/controlled by Operational Companies will be relatively illiquid and finding buyers for such companies can take some time. Furthermore, financing conditions can become worse due to deteriorating economic condition of the world, a region or a country. Therefore, there is a probability of facing a situation when, due to activities of companies managed by an Operational Company or sale of companies managed by an Operational Company, the Operational Company will suffer losses, which will be reflected in the Net Asset Value of the Company.

#### **Risk of changes in laws and regulation**

42. There is a risk that upon changes in legal acts of the Republic of Lithuania or the States where assets of the Company are invested or where information technology companies, into which the Company invests, operate, such changes in legal acts can have a negative effect on the protection of the Company's investments, the activities, profitability and value of the information technology companies or such changes in legal acts can have a negative effect on rights and interests of the Company otherwise.

#### **Tax risk**

43. There is a risk that upon changes in economic conditions, political situation in the country or due to any other reasons, new taxes on Shareholders, the Company or investment objects of the Company will appear or the rates of current taxes will increase, therefore the price, liquidity and/or attractiveness of the Shares or the value of investments of the Company may decrease.

#### **Risk of inflation and deflation**

44. There is a risk that in case of inflation the value of a Share will grow slower than inflation, which would result in the return lower than inflation. In such a case, the real return earned by persons who sold Shares of the Company in the market from increase in the value of the Shares can be smaller than expected. In case of deflation, there would be a risk that the value of the Company's investments will decrease by reason of the drop of the general price level.

#### **Credit risk**

45. There is a risk that buyers of products and services of companies (directly or indirectly) owned by the Company will fail to fulfil their obligations in time – this would have a negative effect on the profit of the Company and/or companies (directly or indirectly) managed by it. In case of late performance of a

large part of obligations, the ordinary business of the Company and/or companies (directly or indirectly) owned by it may be disrupted, it may be necessary to search for additional sources of financing, which may be not always available. The Company also incurs the risk of keeping funds in bank accounts or investing into short-term financial instruments.

#### **Liquidity risk**

46. There is a risk that due to deteriorating economic condition of the world, a region or a country it will become difficult/expensive for the Company (managed by the Management Company) to obtain new loans for acquisition of investment objects or to refinance old loans, therefore the value of the Company's investments can decrease. In order to reduce this risk, the Management Company will seek to maintain a sufficient level of liquidity in the Company or will ensure timely financing.

Acquiring Shares of the Company, the Shareholders assume the risk of securities liquidity – in case of a drop in demand for Shares or delisting them from the stock exchange, investors would find it difficult to sell them. In case of deterioration of the Company's financial situation, the demand for Shares of the Company, as well as their price may decrease.

#### **Currency risk**

47. The Company enters into a large portion of agreements in foreign markets in US dollars, whereas some of their performance costs are incurred in euro, therefore a drop in USD rate can have a negative effect on profitability of managed companies. A large part of computers and other equipment is purchased from foreign manufactures for US dollars, too. Besides, having in mind that the Company will operate in many states, there is a risk that the attractiveness or profitability of the Company's investments will decrease also due to fluctuations in rates of other currencies.

#### **Interest rate risk**

48. There is a risk that in case of fast recovery of the global economy or increase in inflation, central banks will increase interest rates and it will be more expensive to service loans in connection with the Company's investments, therefore, the value of the Company's investments can decrease. In order to avoid this risk, the Management Company shall seek that the Company would get most of the loans at fixed interest rates.

#### **Risk of spin-off from AB Invalda INVL**

49. AB INVL Technology took over 2.6 percent of the assets, equity and liabilities of AB Invalda LT (currently, AB Invalda INVL). If certain obligations of AB Invalda INVL were not known at the time of the spin-off and for this reason were not distributed to all companies operating after the spin-off, all the companies operating after the spin-off will be liable for them jointly and severally. The liability of each of those companies for these obligations will be limited by the amount of the equity, assigned to each of them according to the terms of spin-off. Thus, there is a risk that if the obligations of AB Invalda INVL are not distributed, the Company will be liable for obligations of AB Invalda INVL, which according to the terms of spin-off are assigned to AB INVL Technology.

The Company does not have any information that the reorganisation of AB Invalda INVL was performed improperly and/or that some of the obligations of AB Invalda INVL are not distributed.

#### **Market risk**

50. Acquisition of Shares of the Company entails the risk to incur losses due to unfavourable changes in the Share price in the market. A drop in the price of the Shares can be caused by negative changes in the value of assets and profitability of the Company, general share market trends in the region and in the world. Trade in Shares of the Company can depend on comments of financial brokers and analysts and announced independent analyses about the Company and its activities. If the analysts give an adverse opinion about prospects of the Shares of the Company, this can also have a negative effect on the price

of Shares in the market. In assessing shares, non-professional investors are advised to address intermediaries of public trading or other specialists in this field for help.

**Dividend payment risk**

51. There is a risk that the Company will not pay dividend. A decision on payment of dividend will depend on profitability of activities, investments plans and the general financial situation and other circumstances.

**Geopolitical risk**

52. There is a risk that geopolitical changes can have an effect on activities of the Company (e.g. conflicts of States, internal conflicts in neighbouring States, insurrections, wars) and for this reason the investment value of the Company can decrease or it may be impossible to sell the Company's investments at the desired time for the desired price.

**Risk related to statements in the future tense**

53. Statements in the future tense are based on estimate, opinion, expectations and forecasts regarding future events and financial trends that will possibly have an effect on the activities of the Company. Statements in the future tense include information about possible or presumable results of the Company's activities, investment strategy, contractual relationships, borrowing plans, investment conditions, effect of future regulation and other information. The Company cannot assure that statements in the future tense will reflect future events and circumstances fully and correctly. The Company, the Management Company and its employees do not undertake to adjust or modify statements in the future tense, except to the extent required by laws and these Articles of Association.

**Risk of valuation of the Company's assets**

54. The assets of the Company will be evaluated according to the main rules set in these Articles of Association and the accounting policy of the Management Company. Valuation of individual assets held by the Company shall be performed by a property appraiser, however such valuation of assets shall be only determining the value of the assets, which does not automatically mean the exact sale price of an investment held by the Company, which depends on many circumstances, for example, economic and other conditions, which cannot be controlled. Thus, the sale price of investments held by the Company can be higher or lower than the value of assets determined by a property appraiser.

**Competition risk**

55. The Company, investing into investment objects, will compete with other investors, including, without limitation, with other investment companies or private capital investment funds. Thus, there is a risk that competition with other investors will demand that the Company would conduct transactions at less favourable conditions than it would be possible in other cases.

**Risk related to possible liability of the Company**

56. There is a risk that the activities of the Company and the general performance results of the Company can be negatively affected by demands and claims regarding non-disclosed or non-identified obligations and/or violations in connection with investments acquired by the Company, which may result in the Company's liability for such obligations and/or violations and for this reason the value of the Company's investments and, at the same time, the price of the Shares can significantly decrease.

### **Risk of insolvency of Operational Companies**

57. Operational Companies, in performance of their activities, can face insolvency problems (go bankrupt, undergo restructuring, etc.). Accordingly, such situations can have a negative effect on the price of the Shares or result in insolvency of the Company itself.

### **Risk of insolvency of the Company**

58. In case of realisation of one or several of the above-indicated risks, which would have a negative effect on the value and/or liquidity of Operational Companies, this can result in the Company's solvency problems, when the Company will be incapable of fulfilling its obligations. In such a case, shareholders of the Company can lose all their funds invested into the Company.

### **Risk related to the duty to redeem Shares of the Company**

59. Legal acts provide for a duty of the Company in certain circumstances to redeem its Shares from the Shareholders that requested such redemption (see Article 91 hereof). Accordingly, if the Company becomes subject to the duty to offer to the Shareholders redemption of its own Shares and if such a redemption is requested by the Shareholders holding a significant number of Shares, the Company can be forced to sell its investments urgently, which can significantly reduce the return earned by the Company from sale of its investments. This risk is planned to be managed by means stipulated in Article 98 hereof.

## **VI. SHARES OF THE COMPANY. PROCEDURE OF ISSUE OF NEW SHARES OF THE COMPANY. RIGHTS GRANTED TO SHAREHOLDERS**

60. The number of Shares issued by the Company is 12,175,321, the authorised capital of the Company is EUR 3,530,843.09. The Company issues ordinary registered shares.
61. Shares are non-certificated. They are recorded by entries in Shareholders' personal securities accounts. These accounts are managed under the procedure set by legal acts regulating the market in financial instruments.
62. The nominal value of one Share shall be EUR 0.29 (twenty nine euro cents). The nominal values of all the Shares of the Company shall be equal.
63. The value of the Shares of the Company will change depending on the Net Asset Value of the Company.
64. The title to the Shares shall be proved by entries in personal securities (share) accounts.
65. The Shareholders shall have the following property rights:
  - 65.1. to receive a share of profit (dividend) of the Company if the general meeting of shareholders of the Company decides to distribute it to Shareholders during the Term of Activities of the Company;
  - 65.2. to sell or otherwise transfer all or some of their Shares to the ownership of other persons on the secondary market;
  - 65.3. under the procedure set in legal acts of the Republic of Lithuania and in these Articles of Association, to receive a part of funds of the Company, disbursable in case of winding up of the Company (i.e. liquidation of the Company);
  - 65.4. other property rights provided for in legal acts and the Article of Association of the Company.
66. Shares of the Company shall give the Shareholders the following personal non-property rights:

- 66.1. to take part in general meetings of shareholders;
  - 66.2. to vote at general meetings of shareholders according to rights carried by the Shares. One Share shall give one vote in the general meeting of shareholders;
  - 66.3. to obtain information about the Company under the procedure set by legal acts of the Republic of Lithuania;
  - 66.4. to give questions to the Management Company in advance, related to issues on the agenda of general meetings of shareholders;
  - 66.5. other non-property rights provided for in legal acts of the Republic of Lithuania and in these Articles of Association.
67. New Shares can be issued by increasing the authorised capital of the Company by a decision of the general meeting of shareholders of the Company upon a proposal of the Management Company. The proposal of the Management Company regarding increase of the authorised capital must *inter alia* discuss in detail the procedure of issue of new Shares of the Company and terms of payment for them, as well as the reason why it is proposed to increase the authorised capital of the Company.
  68. Current Shareholders of the Company will have the pre-emptive right to acquire newly issued Shares pro rata to the number of Shares held by them on the record date of the rights. A Shareholder shall not have the right to assign the pre-emptive right to acquire newly issued Shares to any other persons.
  69. Newly issued Shares can be offered to persons other than the Shareholders of the Company only in case the current Shareholders of the Company did not subscribe for all the Shares of the Company planned to be issued within a period set by a decision of the Management Company, which cannot be shorter than 10 calendar days and longer than 30 calendar days.
  70. Shares of a new Share issue must be paid within the term set in the Share subscription agreement, which cannot be longer than 30 Business Days.
  71. New Shares shall be issued only after the money is credited to the bank account of the Company.
  72. Shares of the Company shall be paid only in cash. Shares shall be purchased in Euros.
  73. Newly issued Shares of the Company can be publicly offered only after the Company announces the Prospectus approved by the Supervisory Authority under the procedure set by legal acts of the Republic of Lithuania.
  74. The Company shall announce the approved Prospectus without delay, no later than by the start of the public offering of the Shares or their admission to trading on the regulated market. After public announcement of the Prospectus, the Company must put it into the Central Base of Regulated Information under the procedure set by the Law of the Republic of Lithuania on Securities.

## **VII. OFFERING AND REDEMPTION OF SHARES OF THE COMPANY**

### **Offering of Shares**

75. If within the period set by the Management Company the Shareholders of the Company did not subscribe for all the Shares planned to be issued, new Shares can be offered to the public. The issue price of the Shares, which cannot be less than the minimal issue price set by the meeting of shareholders, shall be set by the Management Company. The Management Company, determining the issue price of newly issued Shares, shall seek that the issue price would be as close to the Net Asset Value or the weighted average price of the Shares during the past 6 months on the regulated market as possible.
76. The Shares shall be offered by the Management Company on behalf of the Company. The Management Company can enter into agreements on offering of the Shares with third parties (Offerors).

77. At the time of offering of the Shares in the primary market the Shares shall be acquired by entering into simple written agreements with the Management Company acting on behalf of the Company.
78. The procedure of issue of new Shares of the Company is described in Chapter VI of the Articles of Association. Newly issues Shares of the Company shall be acquired by signing a Share subscription agreement and paying for the Shares of the Company in Euros no later than within a term indicated in the Share subscription agreement.
79. In the Share subscription agreement signed by a person and the Company, the Company shall undertake to deliver the Shares, whereas the person shall undertake to pay for the whole number of the subscribed Shares under the procedure set in effective legal acts, the Articles of Association and in the agreement.
80. The agreements for subscription of Shares of the Company must indicate that if a person who subscribed for Shares of the Company does not pay for the subscribed Shares of the Company in full within the term set in the Share subscription agreement, it shall be deemed that the Share subscription agreement was terminated and expired and a relevant number of Shares subscribed for by such a Share subscription agreement was not subscribed.
81. A person shall get the title to the Shares from the moment of making an entry in the personal securities account.

#### **Trading in Shares on the secondary market**

82. Shares of the Company shall be traded on the NASDAQ Vilnius stock exchange (secondary market).
83. The title to the Shares of the Company shall be acquired from the moment of making an entry in the personal securities account of a Shareholder. An entry shall be made in the personal securities account of an investor under the procedure set in the agreement concluded by the Shareholder with an intermediary in public trading. Accounts with a Shareholder for sold Shares of the Company shall be settled on the second day after the day of conducting the transaction of sale of the Shares of the Company, unless the agreement with the intermediary in public trading establishes otherwise. The intermediary in public trading shall be responsible for timely and proper settlement of accounts under the procedure set by legal acts regulating public trading in securities.
84. Payment for Shares of the Company sold on the NASDAQ Vilnius stock exchange (secondary market) shall be effected under the procedure set by the NASDAQ Vilnius stock exchange and in the agreement with an intermediary in public trading. Accounts for sold Shares of the Company shall be settled with the Shareholder on the second day after the transaction of sale of Shares of the Company on the stock exchange, unless the agreement with the intermediary in public trading establishes otherwise. The intermediary in public trading shall be responsible for timely and proper settlement of accounts under the procedure set by legal acts applicable to public trading in securities and the rules of the stock exchange.
85. A Shareholder may also transfer Shares of the Company to third parties, by conducting various over-the-counter transactions (sale and purchase, donation, etc.). A Shareholder, who conducted such transactions, must no later than within 5 (five) days after the moment of the transaction, provide the transaction documents to the intermediary in public trading in order that the conducted transactions would be properly recorded, noting the change in the ownership of the Shares in securities accounts.

#### **Redemption of Shares before the end of the Term of Activities of the Company**

86. Redemption of Shares shall be limited. Shares of the Company shall not be redeemed by the Shareholders' request during the Term of Activities of the Company. If a Shareholder of the Company wants to sell Shares of the Company, he will be able to do that in the secondary market (on the stock exchange or by conducting over-the-counter transactions), except for redemption of own Shares by the Company, as indicated in Article 91 hereof.

### **Settlement of accounts with the Shareholders after the end of the Term of Activities of the Company**

87. In accordance with the procedure and terms set in the Law of the Republic of Lithuania on Companies and the Law of the Republic of Lithuania on Collective Investment Undertakings, the Shareholders of the Company must take a decision on liquidation of the Company after the end of the Term of Activities of the Company or on the extension of the Term of Activities of the Company. In case of liquidation of the Company, the assets of the Company shall be sold and money remaining after fulfilment of debt obligations shall be distributed to Shareholders of the Company pro rata to the number of Shares held by them.
88. In case of liquidation of the Company, accounts with the Shareholders shall be settled by transferring the amounts payable to the Shareholders to the bank accounts indicated by the Shareholders or (if a Shareholder's data is unknown) to a deposit account under the procedure set by legal acts.
89. Accounts with the Shareholders shall be settled in Euros.
90. If the Management Company decides so, settlement of accounts with Shareholders of the Company in liquidation can be suspended or accounts can be settled only in part until the Company receives a confirmation of the tax administrator about settlement of accounts with state and/or municipal treasuries and state monetary funds.

### **Redemption of Shares when documents of incorporation of the Company and/or the prospectus are amended and in other cases provided for in legal acts**

91. If the general meeting of shareholders of the Company takes a decision on making essential amendments to the documents of incorporation of the Company and/or the prospectus, which have an effect on Shareholders' interests, or other decisions, taking of which gives the right to Shareholders, referring to the Law of the Republic of Lithuania on Collective Investment Undertakings, to demand that Shares held by them would be redeemed, the Company must ensure proper implementation of the Shareholders' right to demand that Shares held by them would be redeemed without any deductions. In cases when, according to the Law of the Republic of Lithuania on Collective Investment Undertakings, Shareholders are given the right to demand redemption of the Shares held by them and implementation of this right is ensured by the Company itself, Shares acquired by the Company from the Shareholders must be immediately annulled, whereas the decision on annulment of a relevant number of Shares must be taken together with the decision of the meeting of shareholders, which results in the duty to ensure the right for Shareholders to demand redemption of the Shares held by them.
92. The Management Company shall inform each Shareholder in writing about decisions of the general meeting of shareholders, provided for in Article 91 hereof, no later than 1 month before the effective date of an amendment to relevant documents, save for exceptions indicated in Articles 93-94 hereof.
93. The Management Company shall inform each Shareholder in writing about amendments to essential documents, related to changing the investment strategy of the Company, no later than 2 months before the effective date of amendments to relevant documents.
94. The Management Company shall inform Shareholders about the decision to merge the Company with another collective investment undertaking after the Supervisory Authority gives a permission to merge the collective investment undertakings, but in any case no later than 30 days before the last day of the term, within which Shareholders of the Company have the right to demand that their Shares would be redeemed without any deductions. The Shareholder's right to make use of the right indicated in this article shall expire 5 business days before the planned merger completion date. The notification shall provide Shareholders with information, which must be provided according to applicable legal acts and other information important for Shareholders in the opinion of the Management Company.
95. A notification to Shareholders indicated in Articles 92 - 93 hereof must contain the following:
  - 95.1. the essence and content of the planned amendments;

- 95.2. explanation of the influence that the planned amendments to documents will have on interests and investments of the Shareholders;
  - 95.3. information about the Shareholders' right to make an objection against the essential amendments to the documents indicated in the notification and to demand redemption of their Shares without any deductions and the procedure and terms of exercising this right;
  - 95.4. other information, which, in the opinion of the Management Company, is important for Shareholders.
96. The Shareholders shall have the right to make an objection and demand redemption of their Shares within 1 month before the effective date of amendments to relevant documents, except for cases when the investment strategy of the Company is being changed. When the investment strategy of the Company is being changed, the Shareholders can make an objection and demand redemption of their Shares within 2 months before the effective date of amendments to relevant documents. The Management Company can set longer terms than set in this article, within which the Shareholders can make use of their right to redemption of Shares.
  97. Essential amendments to documents of incorporation of the Company and/or prospectuses (Article 100 hereof) shall be made only if no Shareholder of the Company objects to this. It is considered that no Shareholder of the Company objected if, following requirements of these Articles of Association and legal acts, the Shareholders, who objected to essential amendments to documents and demanded redemption of their Shares without any deductions, were ensured exercise of this Shareholder's right.
  98. If the general meeting of shareholders takes a decision on essential amendments to documents of incorporation of the Company and/or the prospectus, having an effect on the Shareholders' interests, or another decision, taking of which, following the Law of the Republic of Lithuania on Collective Investment Undertakings, gives the right to Shareholders to demand redemption of the Shares held by them, the Management Company shall take a decision, where it shall be indicated, under what conditions essential amendments to documents of the Company will be made, including, without limitation, the decision on the number of Shares that can be redeemed, in case of exceeding of which the Company shall not perform the mandatory redemption of Shares from the Shareholders that demanded it and, accordingly, essential amendments to documents of the Company shall not be made.
  99. The price of the redeemed Shares shall be calculated according to the Net Asset Value or the weighted average price of the Shares for 6 months on the regulated market (calculating from the date of the general meeting of shareholders, during which a decision regarding essential amendments to documents was taken), whichever is more.
  100. Amendments are deemed essential if:
    - 100.1. such amendments can have a negative effect on the financial situation of the Company or Shareholders (the set fees, charges or deductions are increased or new fees, charges or deductions are introduced, changes in profit appropriation are made, etc.);
    - 100.2. these amendments restrict or cancel rights granted to the Shareholders of the Company or make other influence on the possibilities of the Shareholders of the Company to make use of their rights in connection with their investments;
    - 100.3. these amendments establish new duties of the Shareholders of the Company.
  101. The Board of the Management Company, taking into account the content, type, scope of the amendments to the documents of incorporation and/or the prospectus and the impact of such amendments on Shareholders' interests, shall decide in each case, which is not indicated in Article 100 hereof, whether amendments to the documents are deemed essential or not; only such amendments, which can have a negative impact on interests of the Company or Shareholders can be deemed essential amendments.



102. Information on whether initiated amendments to the documents of incorporation and/or the prospectus are deemed essential is indicated in the agenda of the general meeting of shareholders.
103. The Management Company ensures that conditions of redemption of Shares would be indicated separately in the draft decisions of the organised general meeting of shareholders.
104. A notification about redemption of Shares performed by the Company is deemed a Material Event and must be announced under the procedure set by legal acts of the Republic of Lithuania.
105. Decisions taken by the general meeting of shareholders regarding essential amendments to the documents of incorporation of the Company and/or the prospectus shall come into effect after the receipt of the approval of the Bank of Lithuania of amendments to these Articles of Association according to decisions of the general meeting of shareholders and after implementation of redemption of its own Shares by the Company, as indicated in Article 91 hereof.
106. The Management Company does not have to inform Shareholders of the Company about essential amendments to documents if such amendments are made due to changes in provisions of legal acts of the Republic of Lithuania.

## **VIII. BODIES OF THE COMPANY. MANAGEMENT COMPANY AND ITS REPLACEMENT PROCEDURE**

107. No management bodies shall be formed in the Company.
108. Management of the Company shall be transferred to the Management Company, therefore, following the Law of the Republic of Lithuania on Collective Investment Undertakings, and the rights and duties of the Board and the head of the Company, as set in the Law of the Republic of Lithuania on Companies, shall be transferred to the Management Company.
109. The Management Company shall be responsible for convocation and organisation of the general meeting of shareholders of the Company, giving notices about Material Events under the procedure set by legal acts, organisation of activities of the Company, proper management of information about activities of the Company and performance of other functions assigned to the Management Company.
110. The Management Company shall have the right:
  - 110.1. to perform all actions of management bodies of the Company and other actions assigned to the competence of the Management Company according to effective legal acts and/or these Articles of Association;
  - 110.2. to get the Management Fee and the Success Fee, as they are defined in the Articles of Association;
  - 110.3. to conduct and perform transactions in connection with management of the assets of the Company at the expense and in the interests of the Company;
  - 110.4. to make deductions from assets of the Company provided for in these Articles of Association;
  - 110.5. subject to approval of the general meeting of shareholders, to instruct a company, having the right to provide relevant services, to perform some of its management functions;
  - 110.6. other rights established in these Articles of Association and legal acts of the Republic of Lithuania.
111. The Management Company must:
  - 111.1. act in a fair, correct and professional manner on the terms best for the Company and its Shareholders and in their interests and ensure integrity of the market;
  - 111.2. act carefully, professionally and prudently;

- 111.3. have and use means and procedures necessary for its activities;
  - 111.4. have reliable administration and accounting procedures, electronic data processing control and security measures and a proper mechanism of internal control, including the rules on personal transactions in financial instruments conducted by employees of the Management Company and transactions in financial instruments conducted at the expense of the Management Company;
  - 111.5. ensure that documents of and information about taken investment decisions, conducted transactions would be kept for at least 10 years after the date of taking an investment decision, conduction of a transaction or performance of an operation, unless legal acts set a longer term of keeping documents;
  - 111.6. have such an organisational structure that would help to avoid conflicts of interest. When it is impossible to avoid conflicts of interest, the Management Company must ensure that Shareholders are treated fairly;
  - 111.7. ensure that persons taking decisions on management of the Company would have qualification and experience established by the Supervisory Authority, be of sufficiently good repute;
  - 111.8. ensure that assets of the Company would be invested according to the investment strategy set in these Articles of Association and requirements set in legal acts of the Republic of Lithuania;
  - 111.9. prepare the prospectus, the document of main information for investors, annual and semi-annual reports under the procedure set by legal acts;
  - 111.10. perform other duties set in these Articles of Association and legal acts of the Republic of Lithuania.
112. The Company management agreement with the Management Company must be approved by the general meeting of shareholders. A copy of the management agreement must be presented to the Supervisory Authority and the Depository.
113. The Management Company can be replaced by a decision of the general meeting of shareholders of the Company.
114. The Management Company can be replaced by a reasoned decision of the general meeting of shareholders in cases when:
- 114.1. the Management Company is liquidated;
  - 114.2. the Management Company undergoes restructuring;
  - 114.3. bankruptcy proceedings are initiated against the Management Company;
  - 114.4. the Supervisory Authority takes a decision to restrict or cancel the rights provided for in the license of the Management Company related to management of investment companies;
  - 114.5. the Management Company commits a material breach of the agreement, these Articles of Association or legal acts.
115. The Management Company shall be replaced after receipt of a prior permission of the Supervisory Authority.

## **IX. COMPETENCE, PROCEDURE OF CONVOCATION OF THE GENERAL MEETING OF SHAREHOLDERS**

116. The competence of the general meeting of shareholders, the procedure of its convocation and taking of decisions thereat shall not differ from the competence and procedure set in the Law of the Republic of

Lithuania on Companies to the extent these Articles of Association or the Law of the Republic of Lithuania on Collective Investment Undertakings do not indicate otherwise.

117. The right to initiate convocation of the meeting shall be vested in the Management Company and Shareholders, Shares owned by which carry at least 1/10 of all the votes in the general meeting of shareholders.
118. The convocation of a general meeting of shareholders shall be organised by the Management Company.
119. All decisions of the general meeting of shareholders of the Company shall be taken by a 3/4 majority of votes carried by Shares of the Shareholders present in the meeting, except for the decisions indicated below, which shall be taken by a 2/3 majority of votes carried by Shares of the Shareholders present in the meeting, i.e. decisions:
  - 119.1. to elect and remove a certified auditor or audit firm and establish terms of payment for audit services;
  - 119.2. to approve sets of annual and interim financial statements;
  - 119.3. on extension of the Term of Activities of the Company and making related amendments to the Articles of Association.
120. The below-indicated decisions of the general meeting of shareholders of the Company can be taken only after taking into account the recommendations given by the Management Company and with regard to consequences of a relevant decision indicated by the Management Company, i.e. decisions regarding:
  - 120.1. amending the Articles of Association of the Company;
  - 120.2. distribution of the profit (loss) of the Company;
  - 120.3. formation, use, reduction and cancellation of reserves;
  - 120.4. increase or reduction of the authorised capital;
  - 120.5. reorganisation, spin-off or transformation of the Company;
  - 120.6. merger of the Company with other collective investment undertakings;
  - 120.7. approval of the agreement with the Depository, appointment of the person authorised to sign the approved agreement with the Depository on behalf of the Company, change of the Depository;
  - 120.8. liquidation of the Company or extension of the Term of Activities of the Company;
  - 120.9. restructuring of the Company.
121. The Management Company must present its recommendations on draft decisions on issues indicated in Article 120 hereof together with the announced draft decisions proposed by the Management Company. In case draft decisions are proposed not by the Management Company but by Shareholders, the Management Company must, no later than within 5 (five) Business Days after presentation of such a draft decision to the Company, prepare a relevant recommendation and announce it in the manner in which draft decisions are announced. In any case recommendations of the Management Company regarding all draft decisions on relevant issues of the agenda must be announced no later than 3 (three) Business Days until the date of the general meeting of shareholders.
122. In case the general meeting of shareholders takes a decision not following the recommendations given by the Management Company, the Management Company shall not be responsible if such decisions violate requirements for management of the Company or there are other negative consequences.
123. An annual general meeting of shareholders must take place no later than by 1 April of the current year.

124. Authorised representatives of the Management Company shall have the right to take part in the general meetings of shareholders of the Company with the advisory right.
125. An extraordinary general meeting of shareholders must be convened if:
- 125.1. that is requested by Shareholders having the right to initiate convocation of the general meeting of shareholders or by the Management Company;
  - 125.2. the auditor or audit firm terminates its agreement with the Company or for any other reasons cannot audit the set of annual financial statements of the Company;
  - 125.3. the Management Company seeks to terminate the management agreement with the Company or there are reasons why the agreement between the Company and the Management Company cannot be performed;
  - 125.4. in other cases set in legal acts of the Republic of Lithuania and in these Articles of Association.
126. The general meeting of shareholders of the Company can take decisions and shall be deemed quorate irrespective of the number of votes carried by Shares held by the Shareholders present thereat.
127. The general meeting of shareholders shall not have the right to take decisions, which are assigned to the competence of the Management Company by these Articles of Association or which are management decisions by their essence.

#### **X. PROCEDURE OF DISTRIBUTION AND PAYMENT OF DIVIDEND TO SHAREHOLDERS**

128. Dividend is a share of profit assigned to a Shareholder, proportionate to the nominal value of Shares owned by him.
129. Decision on payment of dividend shall be taken by the general meeting of shareholders of the Company taking into account the recommendations of the Management Company.
130. A set of financial statements of the Company must be drawn up and audited no earlier than 30 days before taking of the decision to distribute dividend. This requirement shall not apply if the decision to pay dividend is taken in the annual general meeting of shareholders of the Company.
131. The Company shall pay the distributed dividend within one month after the date of the decision of the general meeting of shareholders to pay dividend, except for those cases when the Management Company decides to postpone payment of dividend following these Articles of Association.
132. The Management Company can, by its reasoned decision, postpone payment of dividend if payment of dividend:
- 132.1. would result in violation of the requirements for diversification of investments of the Company; or
  - 132.2. would pose a threat for sustainable finances of the Company;
  - 132.3. would pose a risk for proper fulfilment of obligations assumed by the Company or would pose a risk that the Company would be unable to complete the transactions of acquisition of Operational Companies or of additional investments into Operational Companies that started to be implemented (implementation of a transaction in this case is understood as a process from commencing negotiations with a counterparty until closing (fulfilment) of the transaction).
133. The Management Company must take a relevant decision and resume payment of dividend, ensuring that dividend would be paid to Shareholders no later than within one month after the moment of disappearance of the grounds for suspension of payment of dividend, but in any case payment of dividend cannot be postponed for more than one year after the date of taking a relevant decision of the meeting of shareholders to pay dividend.

134. Dividend payable to Shareholders shall be transferred to the bank accounts indicated by the Shareholders or (if a Shareholder's data is unknown) to a deposit account under the procedure set by legal acts.
135. The Company shall pay dividend in Euros.
136. The right to receive dividend shall be vested in persons who were Shareholders of the Company or had the right to dividend on any other lawful grounds at the end of the record date of the general meeting of shareholders.

## **XI. CALCULATION OF THE NET ASSET VALUE**

137. Accounts of the Company shall be kept and financial statements of the Company shall be prepared following the IAS, the Law of the Republic of Lithuania on Accounting, the Law of the Republic of Lithuania on Collective Investment Undertakings, legal acts adopted by the Board of the Bank of Lithuania, which define keeping of financial accounts and drawing up of financial statements, as well as other legal acts regulating financial accounting and financial statements.
138. The currency in which the Net Asset Value shall be calculated shall be the Euro.
139. The Net Asset Value shall be calculated by deducting liabilities, including the Management Fee commitments and the Success Fee commitments, from the assets of the Company.
140. The calculation of the Net Asset Value must be based on the fair value of the assets, which must reflect the Net Asset Value, for which it is most probable to sell such assets.
141. Calculations of the Net Asset Value shall be performed at least once per year according to the assets valuation presented by an independent business valuator, having the right to engage in such an activity. The business valuator must meet the qualification, transparency and experience requirements provided for in the accounting policy of the Management Company and the rules for calculation of the Net Asset Value and in legal acts.
142. The calculation of the Net Asset Value shall be performed as on the last day of a calendar quarter and shall be announced no later than within two months after the end of a calendar quarter.
143. The calculation of the Net Asset Value is discussed in detail in the accounting policy of the Management Company and the rules for calculation of the Net Asset Value.

## **XII. STRUCTURE OF EXPENSES OF THE COMPANY AND THEIR PAYMENT PROCEDURE**

144. Expenses incurred by the Company, which will be covered with assets of the Company, shall consist of:
- 144.1. the Management Fee payable to the Management Company;
  - 144.2. expenses related to services provided by the Depository;
  - 144.3. remuneration to property appraisers;
  - 144.4. expenses of incorporation (restructuring of activities) of the Company;
  - 144.5. accounting expenses of the Company, expenses of services of determining the value of Shares;
  - 144.6. remuneration for audit services and consultations;
  - 144.7. remuneration to consultants for legal consultations, legal assistance and representation;
  - 144.8. expenses of litigation and judicial processes;
  - 144.9. remuneration to financial institutions for their services (opening and management of accounts, performance of cash and securities operations, fulfilment of orders, currency exchange, etc.) and expenses related to such services (commission and other fees);

- 144.10. expenses incurred by the Advisory Committee;
  - 144.11. expenses incurred by the Investment Committee;
  - 144.12. state and municipal fees, levies and charges;
  - 144.13. expenses of preparation and translation of information about the Company (including documents and agreements of the Company) and its presentation to Shareholders;
  - 144.14. expenses related to acquisition, management and sale of investment objects;
  - 144.15. consultancy expenses;
  - 144.16. expenses of preparing and amending Prospectuses and the Articles of Association;
  - 144.17. expenses related to obtaining and modifying licences and permits;
  - 144.18. expenses related to admission of Shares of the Company to trading on a regulated market and remuneration to the operator of the regulated market for its services;
  - 144.19. expenses related to services provided by AB Lietuvos Centrinis Vertybinių Popierių Depozitoriumas;
  - 144.20. expenses for notaries public and registers;
  - 144.21. expenses related to loans obtained in the name of the Company;
  - 144.22. currency exchange rate and interest rate change hedging expenses;
  - 144.23. expenses of maintaining assets owned by the Company;
  - 144.24. expenses related to development of the Company;
  - 144.25. expenses of documentation, registration and deregistration of securities for performance of obligations;
  - 144.26. enforced debt recovery expenses;
  - 144.27. state and municipal taxes and levies;
  - 144.28. expenses of preparation and presentation of information about the Company;
  - 144.29. consultancy expenses;
  - 144.30. expenses of insuring persons responsible for activities of the Company (i.e. insurance against damage and/or liability);
  - 144.31. expenses of presentation of the Company (entertainment, advertising, etc.) and marketing expenses;
  - 144.32. remuneration to the operator of the regulated market, financial intermediaries related to offering of or subscription for new Shares.
145. The Success Fees shall be additionally paid to the Management Company under the procedure set in these Articles of Association. The Success Fees shall not be included in the maximum amount of expenses indicated in Article 146.
146. The total amount of expenses paid from the assets of the Company and related to the activities of the Company shall not exceed 4 percent of the average annual Net Asset Value of the Company. In case the average annual Net Asset Value of the Company decreases down to EUR 2.5 million and less, the total amount of expenses paid from the assets of the Company and related to the activities of the Company shall not exceed EUR 100,000.

## Management Fee

147. The Management Fee is the remuneration paid to the Management Company for management of assets of the Company, which shall be payable for each quarter of a calendar year. The annual Management Fee shall be 2 percent of the weighted average capitalisation of the Company, calculated according to the following formula:

$$VM = \sum_{i=1}^n \left( \frac{T_i}{Q_i} * Vnt_i \right) * \left( \left( 1 + \frac{A}{100} \right)^{\frac{1}{n}} - 1 \right)$$

where:

VM – the annual amount of the Management Fee;

$Q_i$  – the number of Shares transferred on the regulated market during a trading session of day i. If there were no transactions on the regulated market on day i, then the average Share price of day i ( $T_i/Q_i$ ) shall be the last known average Share price;

n – the number of business days per year, irrespective of the number of trading days;

$Vnt_i$  – the number of Shares of the Company at the end of business day i;

A – the annual Management Fee in percent;

$T_i$  – the turnover of Shares during a session of trading day i according to Shares trading data on the regulated market, calculated according to the formula:

$$T_i = \sum_{j=0}^k (P_j * Q_j)$$

where:

k – the number of transactions on the regulated market during day i;

$P_j$  – Share price in transaction j on the regulated market;

$Q_j$  – the number of Shares traded in transaction j on the regulated market.

If there was no trading in Shares throughout the entire calendar quarter, the Management Fee for the quarter of a calendar year shall be equal to 0.5 percent of the average Net Asset Value of the Company in the quarter, which shall be calculated as the arithmetic average of values at the beginning and at the end of the quarter.

148. The Management Fee for the past four quarters of a calendar year shall be adjusted by auditors. The Management Fee overpayment or underpayment amount, which becomes apparent when auditors present conclusions on the Net Asset Value or the weighted average quarterly price of the Shares of the Company on a regulated market, will accordingly be deducted from or added to the Management Fee payable for the next period after the approval of the annual report of the Company.

## Depository Fee

149. According to the agreement signed with the Depository, the Company will have to pay the annual fee for services of the Depository in the amount provided for in the agreement for provision of depository services, the minimum amount of which is EUR 5,000 per quarter.

150. The services of the Depository shall be paid for according to the invoice issued by the Depository to the Management Company or directly to the Company. The annual fee for the services of the Depository shall not exceed 0.2 % of the average annual Net Asset Value of the Company.

## Success Fee

151. The share of profit of the Company belonging to the Management Company, i.e. the Success Fee, directly depends on the return earned by the Company, which shall be calculated for the whole Company but not for an individual Shareholder. Microsoft Excel function XIRR shall be used for determining the return earned by the Company, which shall regard days (i.e. account shall be taken of periods) when positive and negative flows occurred and the amount of such flows.
152. The profit of the Company shall be the amount of positive and negative flows in respect of Shareholders, where:
  - 152.1. the initial negative flow was incurred on 8 July 2015 and is equal to  $12,175,321$  (number of shares) \* EUR 1.65 (issue price) = EUR 20,089,279.65.
  - 152.2. a positive flow is dividend paid to Shareholders, if any was paid when distributing the net profit of the Company;
  - 152.3. a positive flow is funds disbursed to Shareholders by the Company when purchasing its own Shares;
  - 152.4. a positive flow is funds disbursed to Shareholders by the Company when mandatorily redeeming Shares.
  - 152.5. a positive flow is funds disbursed to Shareholders by the Company when reducing the authorised capital;
  - 152.6. a positive flow is the Net Asset Value on the date of calculation of the Success Fee;
  - 152.7. a positive flow is monetary funds, remaining in the Company's account at the time of liquidation, after settling accounts with creditors;
  - 152.8. a positive flow is any other payments to Shareholders;
  - 152.9. a negative flow is the size of each new Share issue.
153. In case the annual return of the Company is 8 percent or less, no Success Fee shall be calculated and paid – all the return earned by the Company shall go to Shareholders.
154. In case the annual return of the Company is over 8 percent but less than or equal to 10 percent, first of all, a part of profit, in case of which the return of the Company would be equal to 8 percent, shall be determined. 100 percent of this part of the profit of the Company shall be distributed to Shareholders pro rata to the number of Shares of the Company held by them. The remaining part of the profit shall be the Success Fee that belongs to the Management Company.
155. In case the annual return of the Company is over 10 percent, first of all, a part of profit of the Company, in case of which the return of the Company would be equal to 8 percent, shall be determined. This part of the profit shall be distributed to Shareholders pro rata to the number of Shares of the Company held by them. The remaining part of the profit of the Company shall be distributed to Shareholders at the ratio 80/20, i.e. 80 percent of the return shall be distributed to Shareholders pro rata to the number of Shares held by them, whereas 20 percent shall go to the Management Company as the Success Fee.
156. The correctness of the calculation of the Success Fee shall be checked by the Depository.
157. The Success Fee shall be disbursed to the Management Company only after the Shareholders are paid their initial investment (indicated in Article 152.1) with annual return of 8 percent. Until then, the Success Fee shall be accumulated and reflected in financial statements as a liability to the Management Company.



158. The Success Fee shall be disbursed to the Management Company each time when funds are disbursed to Shareholders if the condition provided in Article 157 hereof is satisfied.
159. The Success Fee commitment shall be recalculated on each Reporting Day, taking into account the return of the Company from 8 July 2015 (Article 152.1) until the relevant Reporting Day.

### **XIII. DEPOSITORY. CONDITIONS AND PROCEDURE OF CHANGE OF THE DEPOSITORY**

160. All the assets of the Company shall be kept in the Depository.
161. The Depository services agreement shall be approved in the general meeting of shareholders under the procedure set by the Articles of Association.
162. The Depository can be changed by a decision of the general meeting of shareholders when:
- 162.1. the Depository fails to comply with requirements of legal acts;
  - 162.2. the Depository fails to perform its obligations or fails to perform them properly;
  - 162.3. the Management Company seeks to reduce the costs of services provided by the Depository;
  - 162.4. the Depository loses the right to provide depository services;
  - 162.5. in case of other important reasons.
163. If the Depository fails to comply with requirements of legal acts, fails to perform its obligations or fails to perform them properly, the Supervisory Authority, seeking to ensure rights of Shareholders of the Company, shall have the right to obligate the Management Company to terminate the agreement concluded with the Depository and to change the Depository.
164. In case of changing the Depository, the Management Company shall terminate the agreement with the Depository and shall enter into an agreement with another entity having the right to provide depository services. The agreement with the Depository shall be approved in the general meeting of shareholders of the Company.
165. The Depository shall be selected, changed only with a prior permission of the Supervisory Authority.

### **XIV. ACCOUNTING AND AUDIT OF THE COMPANY**

166. The Management Company shall keep accounts of the Company according to requirements set by the effective IAS.
167. The financial statements of the Company for each financial year shall be audited by an auditor (audit firm).
168. A financial year of the Company shall coincide with a calendar year.
169. A decision on selection of an auditor shall be taken by the general meeting of shareholders. The conditions of remuneration for the auditor's work shall be set by the general meeting of shareholders.
170. Audit shall be performed according to legal acts regulating audit and auditors' work, the terms and conditions of the agreement between the Company and the auditor.

### **XV. PROCEDURE OF GIVING NOTICES AND ANNOUNCING INFORMATION OF THE COMPANY**

171. Notices of the Company, which must be public according to laws of the Republic of Lithuania and/or these Articles of Association, shall be published in the electronic publication published by the administrator of the Register of Legal Entities.

172. Under the procedure set by the Supervisory Authority, the Company shall immediately give a notification about each Material Event (except for cases set in the Law of the Republic of Lithuania on Securities) to the operator of the regulated market, in which securities issued by the Company are traded, to the Supervisory Authority and shall make such notification public under the procedure set in the Law of the Republic of Lithuania on Securities, shall put it into the Central Base of Regulated Information, shall publish it on its website [www.invltechnology.lt](http://www.invltechnology.lt). The notification must reveal the character of the Material Event and must give its brief content.
173. Notices, notifications about Material Events of the Company shall be made public under the procedure set by the Law of the Republic of Lithuania on Securities, the Law of the Republic of Lithuania on Markets in Financial Instruments, legal acts issued by the Supervisory Authority setting forth rules for public announcement of information.
174. The Management Company shall prepare and shall publish the following on its website at [www.invltechnology.lt](http://www.invltechnology.lt):
- 174.1. the Prospectus;
  - 174.2. the document of main information for investors;
  - 174.3. a report for each financial year;
  - 174.4. a report for the first six months of each financial year.
175. Upon a Shareholder's written request, no later than within 7 days after the receipt of the request, documents of the Company, other than indicated in Article 174 hereof, which are not related to commercial secret and confidential information of the Company, shall be provided for information of the Shareholder during the business hours of the Management Company in its registered office or another place indicated by the Management Company, where such documents are kept. Copies of such documents can be sent to the Shareholder by registered mail or delivered against signature.
176. A Shareholder or a group of Shareholders, holding or managing at least 1/2 of the Shares, having presented a written undertaking not to disclose commercial secrets and confidential information in the form set by the Company to the Company, shall have the right to get access to all documents of the Company. The form of the undertaking shall set by the Management Company.

## **XVI. LIQUIDATION AND BANKRUPTCY OF THE COMPANY**

177. The Company can be liquidated:
- 177.1. when there is a decision of court or creditors to liquidate the bankrupt Company;
  - 177.2. at the end of the Term of Activities of the Company;
  - 177.3. in other cases set by laws.
178. After it is decided to liquidate the Company, the Management Company shall automatically become the liquidator of the Company, which shall perform all the liquidator's functions.
179. In the case provided for in Article 177.2 hereof, decisions on liquidation of the Company shall be taken and other actions shall be performed under the procedure set in Articles 1855 –186 hereof. When the decision to liquidate the Company comes into effect, the liquidator must immediately provide the Supervisory Authority with a set of financial statements of such Company as on the date of taking the liquidation decision of the Company, the auditor's report and the audit report on such a set.
180. Assets of the Company in liquidation must be sold at best conditions for and in the best interests of the Shareholders of the Company. The general meeting of shareholders of the Company shall not have the right to take decisions, which would obligate the liquidator to act not at best conditions for and not in

the best interests of the Shareholders of the Company, including, without limitation, to set terms of completion of the liquidation procedure, the procedure and conditions of sale of the Company's assets. Payments to Shareholders shall be effected in cash. The detailed procedure of sale of assets of the Company in liquidation shall be determined by the Supervisory Authority.

181. The procedure of sale of assets is set in legal acts adopted by the Supervisory Authority.

**Taking a decision on extension of the Term of Activities of the Company**

182. The Company shall operate for 10 years after obtaining a license for the Company.

183. The Term of Activities of the Company can be additionally extended for no more than 2 years.

184. A decision on extension of the Term of Activities of the Company can be taken in the general meeting of shareholders no later than 6 months before the end of the Term of Activities of the Company or the end of the extended Term of Activities of the Company (in case the Term of Activities of the Company was extended for less than 2 years).

**Taking a decision on liquidation of the Company before expiry of the Term of Activities of the Company**

185. The general meeting of shareholders of the Company must take a decision on liquidation of the Company no later than 3 months before the end of the Term of Activities of the Company.

186. In case of liquidation of the Company, accounts with Shareholders of the Company shall be settled in accordance with provisions of Articles 87 – 90 hereof.

**XVII. PROCEDURE OF AMENDING THE ARTICLES OF ASSOCIATION**

187. These Articles of Association of the Company shall be approved and amended by a decision of the general meeting of shareholders.

188. The adopted amendments to the Articles of Association shall come into effect when they are registered with the Register of Legal Entities under the procedure set by laws.

189. Amendments and additions to the Articles of Association shall be registered with the Register of Legal Entities under the procedure set by laws after they are approved by the Supervisory Authority.

Authorised person: