

**CAPITALICA Z114 REAL ESTATE FUND UAB,
A CLOSED-END INVESTMENT COMPANY FOR INFORMED INVESTORS**

ARTICLES OF ASSOCIATION

1. GENERAL PROVISIONS

- 1.1. CAPITALICA Z114 REAL ESTATE FUND UAB, a closed-end investment company for informed investors (hereinafter referred to as the '**Company**') shall be a private limited liability legal entity with economic, commercial, financial, and organisational independence. The Company shall be liable for its obligations only to the extent of its assets.
- 1.2. The Company shall operate in accordance with the provisions of the Republic of Lithuania Law on Collective Investment Undertakings Intended for Informed Investors (the '**CIUIII Law**') and, to the extent applicable, the Republic of Lithuania Law on Managers of Alternative Collective Investment Undertakings (the '**MACIU Law**').
- 1.3. Alongside the MACIU Law and the CIUIII Law, the Company shall operate in accordance with the Republic of Lithuania Law on Collective Investment Undertakings (in cases specified in the CIUIII Law), the Civil Code of the Republic of Lithuania (the '**Civil Code**'), the Republic of Lithuania Law on Companies (the '**Law on Companies**'), other laws and legal acts, the present Articles of Association, and other internal documents of the Company.
- 1.4. Name of the Company shall be *Uždarojo tipo informuotiesiems investuotojams skirta investicinė bendrovė UAB „CAPITALICA Z114 REAL ESTATE FUND“* (A closed-end investment company for informed investors CAPITALICA Z114 REAL ESTATE FUND UAB). The legal form of the Company shall be a private limited liability company.
- 1.5. The fiscal year of the Company shall be the calendar year.

2. TERM, PURPOSE, AND OBJECT OF THE COMPANY'S ACTIVITIES. RIGHTS AND OBLIGATIONS OF THE COMPANY

- 2.1. The Company shall be a closed-end collective investment undertaking intended for informed investors, the form of which shall be an investment company intended for informed investors. The Company shall operate as an investment company from the date the Bank of Lithuania approves the Articles of Association of the Company. The management of the Company has been assigned to a management company authorised to operate collective investment undertakings intended for informed investors (the '**Management Company**'). The Management Company shall be UAB CAPITALICA ASSET MANAGEMENT, legal entity number 304234719. The Management Company may be changed by decision of the general meeting of shareholders (the '**General Meeting**') in the following cases:
 - 2.1.1. the Management Company undergoes liquidation;
 - 2.1.2. the Management Company undergoes restructuration;
 - 2.1.3. the Management Company is subject to bankruptcy proceedings;
 - 2.1.4. a decision is made to restrict or terminate the rights related to managing of investment companies established in the activity permit (licence) issued to the Management Company;
 - 2.1.5. the Management Company commits a material breach of the Agreement of transfer of Company's management to the Management Company, the present Articles, or legal acts;
 - 2.1.6. such decision has been made in accordance with the Articles;

2.1.7. upon expiry of the Agreement of transfer of the Company's management to the Management Company, as well as in cases provided for in the agreement of transfer of management.

2.2. The term of operation of the Company shall be a maximum of 5 (five) years from the date of Bank of Lithuania's approval of the Articles of the Company. The term of operation of the Company may be extended for 2 (two) additional years in accordance with the terms and conditions laid down in the present Articles. A decision to extend the term of operation of the Company by 2 (two) years may be adopted no later than 3 (three) months prior to the end of the term of operation of the Company. The decision on the extension of the term of operation of the Company shall be taken by the General Meeting upon proposal by the Management Company. The term of operation of the Company shall be extended by making appropriate changes of the Articles in a manner stipulated therein.

2.3. The Company shall be liquidated and deregistered prior to the end of the term of its operation. During liquidation, the Company's shareholders shall be settled with in cash.

2.4. The Company's activities shall consist of collective investment of collected assets of informed investors in the assets consistent with the investment strategy specified in the Articles of Association of the Company and earning profit for the shareholders of the Company from these activities.

2.5. The Management Company to which the Company's management has been assigned to shall act on behalf of the Company, therefore, any reference to a decision taken by the Company in the present Articles shall mean a decision taken by the Management Company within its remit to act on behalf of the Company. The General Meeting shall take decisions within its remit.

2.6. The Company shall redeem its shares from the Company's shareholders upon expiry of the Company's term of operation (or an extended term of operation) established in the present Articles.

2.7. The Company shall be intended (its shares offered) to more than one investor unrelated to the Management Company.

2.8. During liquidation of the Company, its assets shall be realised on the market by selling it for the market price to investors unrelated to the Management Company.

2.9. Having regard to Clauses 2.2, 2.7, 2.8 of the Articles of Association, the Company may not meet the criterion provided for in Article 17(2)(2) of the CIU III Law.

3. AUTHORISED CAPITAL AND SHARES OF THE COMPANY

3.1. The authorised capital of the Company amounts to EUR 5,619,068 (five million six hundred nineteen thousand and sixty-eight euro). The authorised capital has been divided into 5,619,068 (five million six hundred nineteen thousand and sixty-eight) ordinary registered shares of EUR 1 (one euro) par value per share. Each fully paid-up ordinary registered share shall grant its holder one vote at the General Meeting.

3.2. All shares issued by the Company shall be uncertificated ordinary registered shares. The shares shall be recorded by entries in personal securities accounts of the shareholders. Accounting for the Company's shares shall be kept by a licensed securities accounts manager.

4. PROCEDURES FOR THE ISSUE AND REDEMPTION OF THE COMPANY'S SHARES. TERMS OF PAYMENT FOR THE REDEEMED SHARES

Collection of Commitments

4.1. The offering of the Company's shares shall be based on collection of the commitments subscribed by investors (hereinafter referred to as the '**Commitments**'). During the offering, investment agreements shall be concluded (hereinafter referred to as the '**Investment Agreement**'), with the Commitment understood as the investor's irrevocable and unconditional obligation to conclude, on the terms and conditions of the Investment Agreement and within a period stated in the Company's letter of call for investments (issued in case if the General Meeting decides to increase the

Company's authorised capital under Clause 4.12 of the present Articles), which shall not be longer than 30 (thirty) calendar days after the date of the said letter, a share subscription agreement under which an amount specified in the letter of call for investments shall be paid or assets shall be transferred (within the Commitment amount) to the Company for the issue of shares. Notwithstanding provisions of this Clause 4.1, the shares of the Company may be issued according to Clause 4.23 of the present Articles if relevant circumstances exist.

- 4.2. The Company shall start operating as a collective investment undertaking for informed investors and shall start offering its shares on next business day after the Bank of Lithuania approves the Articles of the Company.
- 4.3. The Company's shares shall not be distributed or offered publicly. The Company's shares may only be acquired by the informed investors, as defined in the CIUIII Law, and any of their offers shall be carried out in accordance with the terms of Article 2(4) of the Law on Companies, under which an offer is not considered a public offer of securities. With regard thereto, during all phases of offering and distribution of the Company's shares, the offer to acquire the Company's shares shall be made to no more than a total of 150 (one hundred and fifty) natural persons or legal entities. Information on the shares offered by the Company shall only be submitted by contacting the potential investors directly.
- 4.4. Phases of offering of the Company's shares shall not be limited by either amount to be collected or time, however, the general limits set in Clauses 4.5 and 4.7 of the present Articles shall apply.
- 4.5. Phase One of the Company's share offering shall start immediately after the approval of the Articles of the Company by the Bank of Lithuania. It is intended that investment Commitments in the amount of up to EUR 4,000,000 (four million euro) shall be collected within 180 (one hundred and eighty) days after the approval of the Articles of the Company by the Bank of Lithuania (the '**First Distribution Amount**').
- 4.6. Having collected the Commitments for the First Distribution Amount, performance of Commitments shall be organised as described in the present Articles below.
- 4.7. The share offering (Commitment collection) phases shall end when the Company decides that the Commitments under the Investment Agreements concluded are sufficient for the Company's investments. The estimated amount of Commitments for all the phases of the Company's share offerings is EUR 6,000,000 (six million euro), however, this shall not impede the right to stop collection of the Commitments even if this amount has not been reached.
- 4.8. Having collected the Commitments for the First Distribution Amount, all shareholders of the Company and investors who have concluded Investment Agreements shall be informed thereof within 3 (three) business days. After that, all shareholders of the Company and investors who have concluded Investment Agreements shall be informed that the planned amount of Commitments under the Investment Agreements concluded in the relevant share offering phase has been collected no later than within 7 (seven) days from collection of the respective Commitments by sending a notice to the electronic mail address specified in the Investment Agreement or by any other method stipulated therein.

Conclusion of the Investment Agreements

- 4.9. Investment Agreements shall be concluded at the time of share offering carried out by the Company. The Company shall approach potential investors with an offer to conclude the Investment Agreements and acquire shares of the Company, and present them with the Company's Articles of Association, the Prospectus, the Key Information Document, Risk Management Policies, as well as the procedure for acquisition of the Company's shares. Both the shareholders of the Company and other persons may conclude Investment Agreements for such an amount as established under the relevant circumstances and in compliance with all requirements stipulated in regulations and the present Articles.
- 4.10. The Investment Agreements shall be concluded with persons meeting the requirements applied to the informed investors in accordance with the CIUIII Law. The Investment Agreement shall be

concluded in writing in duplicate. In the Investment Agreement, the investor shall declare their irrevocable and unconditional undertaking to conclude, upon receipt of a letter of call for investments from the Company, a share subscription agreement for the Company's shares under which an amount of cash specified in the letter of call for investments shall be paid (within the Commitment amount) to the Company for the issue of shares. The Investment Agreement and/or a share subscription agreement for the Company's shares shall be concluded in writing. Taking into account individual circumstances of each investor (natural person), the investor may be required to conclude the Investment Agreement and/or a share subscription agreement for the Company's shares only upon receipt of consent from their spouse or their respective authorisations.

- 4.11. On the date of approval of the Articles of the Company by the Bank of Lithuania, a contribution of a person being a shareholder of the Company shall be deemed to have been made on the date of approval of the Articles of the Company by the Bank of Lithuania, and its value shall be equal to the Company's net asset value as on the date of approval of the Articles of the Company by the Bank of Lithuania, such value to be established with the view that the total value of all immovable property held by the Company existing on that date, consisting of all buildings and structures on the land plot being rented by the Company at Žalgirio g. 114, Vilnius, including the possibility of development of said property, shall be (a) EUR 3,200,000 (three million two hundred thousand euro); or (b) equal to the value established by independent appraisal in accordance with the Articles of the Company, depending on which value is higher.

Implementing the Requirement to Meet the Commitments. Share Acquisition Terms and Conditions

- 4.12. Having collected the Commitments for the First Distribution Amount, as well as during later periods, having collected sufficient Commitments and upon establishing an investment funds requirement for the Company at the discretion of the Management Company, the Management Company shall initiate the General Meeting for consideration of an increase in the Company's authorised capital, at the same time providing the draft decisions of the General Meeting on the withdrawal, if needed, of the shareholders' pre-emption right to acquire newly issued shares of the Company. After adoption of the decision to increase the Company's authorised capital by the General Meeting, letters of call for investments shall be sent, by the method stipulated in the Investment Agreements, to the investors that have concluded the Investment Agreements.
- 4.13. Having collected the Commitments for the First Distribution Amount, and in any case no later than within 190 (one hundred ninety) days after approval of the Articles of the Company by the Bank of Lithuania, a General Meeting shall be convened for the purpose of increasing the authorised capital of the Company. It is intended to have the authorised capital of the Company increased within 250 (two hundred fifty) days after approval of the Articles of the Company by the Bank of Lithuania.
- 4.14. Based on the letter of call for investments, the investor shall conclude a share subscription agreement with the Company represented by the Management Company, and shall pay for the subscribed shares according to a procedure stipulated in the said agreement. By signing a share subscription agreement, the investor undertakes to pay, on the terms and conditions thereof, for the shares issued by the Company.
- 4.15. When issuing the Company's shares for the purpose of increasing the Company's authorised capital in accordance with Clauses 4.12–4.13 hereof, the issue price of each newly-issued share of the Company shall be one of the values indicated in Items (a) or (b) of the present Clause, depending on which value is higher: (a) EUR1.2464 (one euro and 24.64 cents); or (b) the sum corresponding to the value of the share on the basis of the Company's net asset value (the **NAV**) as on the date of the decision by the General Meeting on the increase of the Company's authorised capital through the issue of new shares, such sum to be established with the view that the total value of all immovable property of the Company existing on said date, consisting of all buildings and structures on the land plot being rented by the Company at Žalgirio g. 114, Vilnius, including the possibility of development of said property, shall be as established by independent appraisal and in any event at least EUR 3,200,000 (three million two hundred thousand euro). The present Clause shall be taken into account by the General Meeting when adopting the decision on the increase of the Company's authorised capital and the minimum issue price of one share.

- 4.16. When issuing the Company's shares at any time after the initial issue of the Company's shares which took place after the date of approval of the Articles of the Company by the Bank of Lithuania, the issue price of each newly-issued share of the Company shall be the sum corresponding to the value of the share based on the Company's NAV as on the date of the decision by the General Meeting on the increase of the Company's authorised capital through the issue of new shares, plus up to 10% annual interest on the price of one share as at the time of the issue of the Company's shares for the purpose of increasing the Company's authorised capital in accordance with Clauses 4.12–4.13 hereof. The applicable annual interest percentage, without exceeding the percentage indicated herein, shall be approved by the General Meeting when taking the decision on the increase of the Company's authorised capital through the issue of new shares. The present Clause shall be taken into account by the General Meeting when adopting the decision on the increase of the Company's authorised capital and the minimum issue price of one share.
- 4.17. The investors shall be informed about the Company's NAV and the share issue price following the procedure stipulated in the Investment Agreement. The Company's shareholders shall also be informed about the share issue price. In any case, during the period until the end of the investment term, after which no new investments in the Company will be made, the amount invested in the Company by each investor acquiring newly-issued shares of the Company shall be at least EUR 125,000 (one hundred and twenty-five thousand euro) (except for investors described below in the present Clause). The amount invested by the Management Company and the persons conforming to the informed investor criteria in accordance with Article 3(1)(4b) of the CIUIII Law may be less than EUR 125,000 (one hundred and twenty-five thousand euro) if the Management Company decides to apply such possibility. Having decided to apply such possibility, its terms and conditions shall be indicated in the Company's Prospectus for the particular share distribution phase of the Company.
- 4.18. Should the issue price per newly issued share be higher than the par value of the share, then, upon issue of the shares, the Company's authorised capital shall be increased by the sum of the issued shares' par values in the balance sheet of the Company, and the difference between the issue price of the newly issued shares and the sum of their par values shall be carried as share premiums.

Payment for the shares of the Company

- 4.19. The newly-issued shares of Company may only be paid for in cash.
- 4.20. Consequences (penalties) of the investor's failure to carry out the Investment Agreement and the share subscription agreement shall be specified in the Investment Agreement and the share subscription agreement, respectively. Should the investor fail to pay for the shares issued by the Company on the terms and conditions stipulated in the share subscription agreement, the investor shall forfeit the right to receive the newly issued shares of the Company.

Entries in the Personal Securities Account

- 4.21. Title to the newly-issued shares of the Company shall arise after the personal securities account manager makes an entry in the investor's/shareholder's personal securities account upon registration of the amended Articles of Association of the Company with the Register of Legal Entities (if applicable) and/or upon submission of all documents required under legislation to the securities account manager. The entry in the personal securities account of the investor/shareholder shall be made immediately after the date of registration of the new version of the Articles of Association of the Company (if applicable), and/or upon submission of all documents required under legislation to the securities account manager.
- 4.22. If the shareholder's title to the shares is transferrable, the entry in the personal securities account shall be made immediately after the submission of all the documents required according to the law to the securities accounts manager responsible for accounting for the Company's shares. The documents shall be accompanied by a written consent of the Management Company (which consent shall not be unreasonably withheld), issued on behalf of the Company, to the transfer of title to the shares (i. e. sale, donation, pledge or other encumbrance and assignment). An entry on the transfer, pledge, or other encumbrance of title in the personal securities account may not be made without such consent.

Increase of the Authorised Capital and Issue of Shares to Current Shareholders of the Company

- 4.23. In addition to the above-described offering and issue of the shares, the Company's authorised capital may be increased and shares may be issued without recalling the shareholders' pre-emption right to acquire the newly issued shares of the Company if such decision is taken by the General Meeting. Subject to such decision of the General Meeting, the Company's shareholders may acquire the shares issued by the Company by the pre-emption right, in proportion to the par value of the Company's shares owned by them at the end of the day on which the General Meeting having decided to increase the authorised capital by additional contributions was held. In case if not all the shares are subscribed for within the term set by the General Meeting for the acquisition of the shares by the shareholders' pre-emption right, the remaining unsubscribed shares may be offered to the investors that have concluded the Investment Agreements.

5. REDEMPTION OF THE COMPANY'S SHARES

- 5.1. Redemption of the Company's shares shall be limited. The Company's shares shall not be redeemed at the shareholders' request during the term of operation of the Company.
- 5.2. The shares of the Company shall be redeemed upon expiry of the term of the Company's activities (or an extended term of the Company's activities) in the course of the procedure of liquidation of the Company.
- 5.3. Until the end of the term of the Company's activities, if:
- 5.3.1. The Company has free funds which it does not intend to invest, either directly or indirectly, in immovable properties, and
 - 5.3.2. The General Meeting has adopted a decision to reduce the Company's authorised capital and to pay funds to the shareholders,
- funds may be paid to the shareholders and the Company's shares held by them shall be cancelled or the share par value shall be reduced.
- 5.4. Where the Company is being liquidated (under Clause 5.2 of the present Articles), the shares shall be redeemed during the liquidation procedure and the Company's assets remaining upon settlement with the Company's creditors shall be distributed to the shareholders. The distribution of the Company's assets shall be made by the Company's liquidator, which may be the Management Company. Payments to the Company's shareholders during liquidation shall be made in cash. If for any reason the money may not be transferred to the Company's shareholder, it shall be transferred to the deposit account in accordance with the procedure established in legal acts. By the decision of the liquidator, the settlement with the shareholders of the Company in liquidation may be suspended or made only partially, until the Company receives the approval of the tax administrator regarding full settlement with the state and/or municipal budgets and state monetary funds.
- 5.5. Where the Company's funds are paid to the shareholders under Clause 5.3 of the present Articles, the payments shall be made according to an authorised capital reduction procedure laid down in the Law on Companies. Upon reduction of the authorised capital, the shareholders of the Company shall be paid an amount in proportion to the sum of the par values of the shares held by them. The payments shall be made automatically, i.e. the shareholder of the Company is not obliged to file a redemption application or take any other formal actions.
- 5.6. Funds for the Company's shares shall be transferred to a bank account of the shareholder specified in the share subscription agreement concluded with the Company, or any other bank account indicated to the Company by the shareholder in writing, immediately as far as this is possible according to the share redemption procedure or the procedure for the payment of funds to the shareholders.

- 5.7. A shareholder signing the Investment Agreement consents to mandatory redemption of the Company's shares held by them according to a procedure set out in the present Articles. Such consent shall also be specified in the share subscription agreement.
- 5.8. From the moment of redemption of the Company's shares the shareholder shall forfeit all the rights attached thereto except for the right to receive money for the Company's shares redeemed. From the moment of redemption the Company shall assume the obligation to settle up with the shareholder for the Company's shares redeemed.
- 5.9. During the term of operation of the Company, the Company may arrange for and perform the acquisition of own shares from the shareholders on the terms and conditions laid down in the Law on Companies and the CIUIII Law, subject to a proposal of the Management Company and a decision of the General Meeting.
- 5.10. In all cases where the Company makes payments to its shareholders (e.g., for redeemed shares), all payments to the Company's shareholders shall be made at the same time. If any partial payments are made, they shall be made in proportion to the respective shareholding of the Company held by such shareholder.

6. RIGHTS OF THE COMPANY'S SHAREHOLDERS

- 6.1. The Company shall be intended solely for informed investors (as defined in the CIUIII Law) seeking to receive capital gains from investments in immovable property, with a higher than medium tolerable investment risk. The Company is not recommended for investors seeking a stable, guaranteed, and fixed return on investments. More detailed information about the risks related to investing in the Company is provided in the Prospectus of the Company.
- 6.2. Prior to concluding the Investment Agreement (or acquiring the Company's shares by any other method), any investor intending to become a shareholder of the Company shall fill the Informed Investor's Questionnaire, specifying the grounds on which the person is considered an informed investor. At the Company's request, both prior to concluding the Investment Agreement and the share subscription agreement for the Company's shares, or at any time while the investor owns the Company's shares regardless of the method of acquisition, the investor shall also provide the evidence that they meet the criteria for informed investors as established in the CIUIII Law. In addition, the Management Company may demand the persons seeking to acquire the Company's shares to provide information on how such persons comply with concentration control requirements provided for in the Republic of Lithuania Law on Competition.
- 6.3. Based on the information provided by the investor and obtained otherwise, it shall be determined whether a person meets the requirements for informed investors. The Investment Agreement shall only enter into force after the investor who intends to become a shareholder of the Company provides the Management Company with evidence that they meet the criteria set by the CIUIII Law for an informed investor, and after the Management Company determines that such person meets the requirements for informed investors.
- 6.4. The shareholders shall assume rights and obligations attached to the shares held and fully paid by them from the moment when an entry of title to the shares is made in the personal securities accounts of the shareholders. An entry in the shareholder's personal securities account shall be evidence of title to the Company's shares.
- 6.5. All shares of the Company shall grant their holders equal rights and impose equal obligations thereon.
- 6.6. Shareholders shall have the following property rights:
- 6.6.1. to receive a part of available funds of the Company if the Company's authorised capital is being reduced in order to pay funds to the shareholders;
 - 6.6.2. to receive a part of the Company's profit (dividend). Any person who was a shareholder of the Company or was lawfully entitled to dividend otherwise at the end of the day of the

General Meeting which adopted the decision on declaration of dividend shall have the right to receive dividend;

- 6.6.3. to have the Company's shares held by them redeemed by the Company in accordance with the present Articles, i.e. receive part of the assets of the Company remaining after settlement with the Company's creditors (in the form of the Company's assets and/or cash) according to a procedure, on the conditions and in the scope established in the Civil Code, Law on Companies and CIUIII Law;
- 6.6.4. to transfer (i.e. sell, donate, exchange pledge or otherwise encumber or assign) the Company's shares and/or Commitments to other persons meeting the informed investor's criteria, with regard to the fact that the Company's shares may not be distributed or offered publicly and in accordance with the requirements set for the offering and transfer of the Company's shares (excluding, however, the provisions of Article 47 of the Law on Companies, as established in Clause 20 hereof), subject to obtaining a prior written consent of the Management Company (which may not be unreasonably withheld) issued on behalf of the Company for the purpose of the intended transfer (i.e. sale, donation, exchange, pledge or other encumbrance or assignment);
- 6.6.5. other property rights under the present Articles, Civil Code, Law on Companies, MACIU Law and CIUIII Law.

6.7. The shareholders shall have the following non-property rights:

- 6.7.1. to attend General Meetings;
- 6.7.2. to put questions concerning items on the agenda of a General Meeting to the Company in advance;
- 6.7.3. to vote at a General Meeting based on the rights attached to the shares;
- 6.7.4. to obtain information about the Company as stated in the Civil Code, Law on Companies, CIUIII Law and the present Articles, including information about the NAV, the value of the Company's shares, the Prospectus, the Company's reports at intervals set in the present Articles, and the description of the NAV determination procedure;
- 6.7.5. other non-property rights under the present Articles, Civil Code, Law on Companies, the MACIU Law and the CIUIII Law.

6.8. The decision on the payment of dividends shall be taken by the General Meeting taking into account the recommendations of the Management Company. No separate periodic distribution of dividends shall be provided for.

7. MANAGEMENT BODIES OF THE COMPANY. THE MANAGEMENT COMPANY AND ITS RIGHTS AND OBLIGATIONS. EXTERNAL ADVISORY COMMITTEE

- 7.1. The General Meeting shall be the management body of the Company. The board and the supervisory council shall not be formed in the Company.
- 7.2. Subject to decision of the General Meeting, the Company's advisory committee may also be formed (hereinafter referred to as the '**Committee**'), which shall not be considered management body of the Company and shall form a separate structural part thereof. If formed, the Committee may make proposals to the Management Company for decisions referred to in Clause 7.9 of the present Articles, which the Management Company could consider provided that the Committee has submitted a proposal referred to in Clause 9.8 below. However, the Management Company shall have the right to take such decisions also without a proposal from the Committee.
- 7.3. From the date of granting of the authorisation to engage in the activities of an investment company under the CIUIII Law to the Company by the Bank of Lithuania, the rights and obligations of the board and the head of the Company according to the Law on Companies shall be transferred to the

Management Company under an agreement on management of the Company concluded by and between the Company and the Management Company, unless the laws and/or the present Articles state otherwise. The Management Company shall be responsible for the taking of actions specified in Article 2.82(3) of the Civil Code of the Republic of Lithuania and for the discharge of other obligations stated in the agreement on the transfer of the Company's management to the Management Company. The management agreement with the Management Company shall be signed, on the Company's behalf, by a person authorised by the General Meeting.

- 7.4. The Management Company shall act in accordance with the law and the agreement on the transfer of the Company's management to the Management Company and shall be liable for proper discharge of its obligations thereunder.
- 7.5. Financial accounting of the Company shall be kept by the Management Company or a professional service provider appointed by the Management Company. Financial accounting and reporting of the Company shall be managed in accordance with the laws governing bookkeeping and financial accounting, resolutions of the Bank of Lithuania and other legal acts.
- 7.6. The Management Company shall also have the following rights:
 - 7.6.1. to receive remuneration (management fee and success fee) and compensation for expenses incurred for the benefit of the Company;
 - 7.6.2. to request that the shareholders of the Company would timely discharge their obligations under the Lithuanian law, the present Articles and the Investment Agreement, as well as to request indemnification to the Company and/or the Management Company for any losses incurred due to the shareholder's failure to discharge or improper discharge their obligations under the present Articles, and/or the Prospectus, and/or the Investment Agreement;
 - 7.6.3. to make deductions from the Company's assets as provided for in the present Articles;
 - 7.6.4. subject to applicable requirements, at the Company's expense, to delegate to any entities entitled to provide relevant services any function listed herein: (i) marketing of the Company's shares, including distribution; (ii) administration, i.e. account-keeping, responses to client questions, determination of net assets, keeping of the shareholders' register, distribution of income, determination of share value, share issue and redemption, settlement under transactions, and storage of operation data; (iii) control over essential functions and internal control; and (iv) other activities related to the activities specified in this Clause 7.6.4 above;
 - 7.6.5. other rights under the present Articles and legal acts of the Republic of Lithuania.
- 7.7. The Management Company shall assume the following obligations:
 - 7.7.1. to act in good faith and in a professional manner, in line with its liabilities to the Company and the shareholders;
 - 7.7.2. to act carefully, with the required professionalism and caution;
 - 7.7.3. to have requisite facilities and procedures in place and to use them;
 - 7.7.4. to obtain from the shareholder of the Company information necessary for determining whether the shareholder meets the informed investor criteria laid down in the CIUIII Law, and whether or not they are related to the Management Company, so that Commitments can be collected from and the Company's shares can be offered to such persons;
 - 7.7.5. to disclose to the shareholders any information that is related to them and necessary to them;

- 7.7.6. to manage risks so that risks related to investment instruments can be monitored and assessed and their impact on the overall risk related to the investment instruments' portfolio can be established;
 - 7.7.7. to ensure that the Company's assets are invested strictly in accordance with the investment strategy set out in the present Articles and with the requirements laid down therein and in legal acts of the Republic of Lithuania;
 - 7.7.8. not to take decisions and not to conclude transactions on behalf of the Company which require a consent from the General Meeting, without a consent from the General Meeting;
 - 7.7.9. to discharge other obligations under the present Articles and legal acts of the Republic of Lithuania, and the Management Agreement.
- 7.8. The Management Company shall prepare, approve and timely update the Prospectus of the Company in accordance with the CIUIII Law and the MACIU Law.
- 7.9. The Management Company shall take decisions on the Company's investments and the management, use and disposal of the Company's assets. Such decisions, inter alia, include decisions on the acquisition, transfer, management, and restrictions on management of the assets of the Company, decisions related to the financing of the activities of and acquisition of assets by the Company, and decisions on the exercise of the rights of the Company as a shareholder/member of other undertakings/entities (voting at meetings of shareholders/members of such undertakings/entities). The Company shall conduct the said transactions only subject to a decision taken by the Management Company. In deciding on investments of the Company and on the disposal of the Company's assets, the Management Company shall also provide for authorisations necessary to arrange for and conduct the transactions in respect of which the relevant investment decision has been taken. Such decisions of the Management Company shall be taken according to a procedure established by the Management Company, according to which a manager appointed by the Board of the Management Company (or an investment committee formed by the Management Company) shall draft and adopt decisions that are subject to approval of the Board of the Management Company as a body exercising control over such decisions.
- 7.10. The Management Company shall also take measures to ensure separation and storage of the Company's assets separately from those of the Management Company. For this purpose, an agreement shall be concluded with a depositary. The depositary of the Company shall be public company Šiaulių bankas, legal entity number 112025254, registered office address: Tilžės g. 149, Šiauliai. More information on the depositary of the Company shall be provided in the Prospectus of the Company.
- 7.11. The depositary may be changed by decision of the Management Company with a prior consent of the Bank of Lithuania. The depositary shall also be changed in cases here the Management Company receives an order from the Bank of Lithuania to change the depositary. The decision to change the depositary may be made by the Management Company when:
- 7.11.1. the depositary does not comply with legislative requirements;
 - 7.11.2. the depositary fails to fulfil its obligations or fulfils them improperly;
 - 7.11.3. the Management Company seeks to reduce the costs of services provided by the depositary;
 - 7.11.4. the depositary loses the right to provide depositary services;
 - 7.11.5. in case of other important reasons as the Management Company may determine.
- 7.12. When changing the depositary, the Management Company shall terminate the contract with the depositary and enter into a new contract with another entity who has the right to provide depositary services. If the depositary is changed, the corresponding changes to the Company's Articles of Association indicating the new depositary shall be made during the next annual General Meeting.

8. GENERAL MEETING

- 8.1. The remit and the procedure for the convention of the General Meeting as well as the General Meeting's decision-adoption procedure shall be the same as defined in the Law on Companies unless the present Articles state otherwise.
- 8.2. The Management Company and the shareholders of the Company holding the Company's shares that grant them at least 1/10 of all votes at the General Meeting shall have the right to initiate the convention of the General Meeting.
- 8.3. The convention of the General Meeting shall be organised by the Management Company.
- 8.4. In addition to the remit of the General Meeting according to the Law on Companies, the General Meeting of the Company shall also:
 - 8.4.1. decide on replacing the Management Company, transferring the Company's management to another Management Company, and appointing such new Management Company;
 - 8.4.2. decide on the content and conclusion of the agreement on the transfer of the Company's management with the Management Company;
 - 8.4.3. decide on formation or termination of a Committee;
 - 8.4.4. decide on electing and recalling members of a Committee;
 - 8.4.5. decide on approving and amending the Regulations of Activities of the Committee;
 - 8.4.6. decide on approval of the architectural and technical solutions of the Building (as defined in Clause 10.1 below);
 - 8.4.7. decide on approval of transactions to be concluded by the Company for transfer of immovable property held directly or indirectly by the Company (including the Building (as defined in Clause 10.1 below)) or shares in subsidiaries held directly or indirectly by the Company, or rights granted by such shares;
 - 8.4.8. decide on all transactions (either single or continuous) with the value higher than EUR 150,000 (one hundred fifty thousand euros) (related transactions to be valued together);
 - 8.4.9. decide on approval of any transactions to be concluded by the Company which total value, each separately, exceeds EUR 15,000 (fifteen thousand euros) (related transactions to be valued together) if such transactions are concluded with persons who are considered investors related to the Management Company in accordance with Article 17(4), or with persons who are considered parties related to the Company in accordance with applicable Business Accounting Standards;
 - 8.4.10. decide on approval of the Company's borrowing transactions;
 - 8.4.11. decide on approval and amendment of the Company's accounting policies.
- 8.5. Decisions of the General Meeting listed in Clause 8.4 above, except for 8.4.1, 8.4.2 and 8.4.4, shall be taken where more votes are received for them than against them from shareholders of the Company attending a General Meeting.
- 8.6. Decisions listed in Clauses 8.4.1–8.4.2 above as well as decisions regarding the increase of the Company's authorised capital or amendment of the Articles shall be taken at a majority prescribed by the Law on Companies, and in any event at least a 2/3 majority of all votes from shareholders of the Company attending a General Meeting.

- 8.7. Decisions on matters described in Clause 8.4.4 above shall be adopted by the General Meeting as follows. In the election of members of the Committee, each shareholder shall have the number of votes equal to the number of votes attached to the shares owned by the shareholder multiplied by the number of the Committee members being elected. Shareholder shall distribute these votes at their own discretion to one member or a few members. The candidates that receive more votes shall be elected. In case if the number of the candidates receiving equal number of votes is larger than the number of the Committee members being elected, the voting shall be repeated, and each shareholder shall be allowed to vote for only one candidate of the candidates who received equal number of votes. While voting for the recall of the Committee members, the voting shall be separate for each member being recalled. A member of the Committee shall be deemed to be recalled if the number of votes 'for' his recall is larger than that 'against' the recall.
- 8.8. Minutes of the General Meetings shall be taken. The requirement for the minutes shall not apply if the decisions are signed by all the shareholders of the Company.
- 8.9. The Management Company must present its recommendations for all matters being considered by the General Meeting. The Management Company may present its recommendations together with the published draft decisions proposed by the Management Company. In case if the draft decisions are proposed by the Company's shareholders rather than the Management Company, the Management Company shall, not later than within 5 (five) business days after the submission of such draft decision, formulate the relevant recommendation and publish it by the method analogous to the method of publication of the draft decisions. In any case, recommendations of the Management Company for all the draft decisions on relevant items on the agenda shall be published not later than 3 (three) business days prior to the date of the General Meeting.
- 8.10. In cases where the General Meeting adopts a decision without having regard to the recommendations presented by the Management Company, the Management Company shall not be liable for a violation of any of the Company's management requirements or other adverse consequences, if shareholders have been warned of such possible adverse consequences.

9. ADVISORY COMMITTEE

- 9.1. The Committee, if formed, shall be entitled and may make proposals to the Management Company for decisions referred to in Clause 7.9 of the present Articles.
- 9.2. The Committee shall be formed of at least 2 (two) and no more than 5 (five) members. The term of the Committee shall be unlimited.
- 9.3. Members of the Committee shall be elected, replaced, and recalled by the General Meeting, and the Company's shareholders may be elected. Members of the Committee shall start working in the Committee from the moment of their election.
- 9.4. The term of performance of the functions of the Committee member shall be unlimited. The Committee member shall perform his/her functions from the election until the adoption of a decision on liquidation of the Company, unless the member is replaced and/or recalled and/or resigns earlier.
- 9.5. The Committee members shall elect the chairperson of the Committee. The term of office of the Committee's chairman shall be unlimited.
- 9.6. The chairperson of the Committee shall organise the Committee's work and shall initiate and convene its meetings.
- 9.7. A Committee member may resign from the position of a Committee member by giving the Management Company a written 14 (fourteen) calendar days' notice. The resignation shall take effect upon expiry of 14 (fourteen) calendar days after the moment of serving of the notice to the Management Company unless a later date is stated in the notice. A decision shall not be required for the resignation notice to take effect.
- 9.8. Decisions of the Committee shall be taken by voting at the meeting of the Committee at which at least 2/3 of the Committee members are present. Each member of the Committee shall have one

vote at the voting. Decisions shall be taken by the majority vote of the Committee members present at the meeting. Where a decision of the Committee has been taken based on the numbers of votes 'for' and 'against', the Committee shall submit to the Management Company the decision proposed by the Committee for consideration. Where a decision of the Committee has not been taken based on the numbers of votes 'for' and 'against', the Committee shall inform the Management Company on which specific matter the Committee has not adopted a decision.

- 9.9. Procedures of the Committee's activities and remuneration payable to Committee members may be detailed in the Regulations on Activities of the Committee to be approved by the General Meeting. The members of the Committee shall be obliged to act according to the approved Regulations.

10. ASSET INVESTMENT STRATEGY OF THE COMPANY

- 10.1. The objective of the Company shall be to ensure a long-term growth in the return for the Company's shareholders through investments in the property complex owned by the Company and located on a land plot rented by the Company at Žalgirio g. 114, Vilnius. The investments shall be realised by demolishing buildings present there and then building a new office building with a total area up to 8,500 sq. m, 8,000 sq. m of which to be rentable office area (the '**Building**'), and by renting and selling it prior to liquidation and deregistration of the Company.
- 10.2. The Company seeks the annual rate of return on investments of 14–20% (fourteen to twenty percent) upon deduction of all costs of the Company referred to in Clauses 14.1 and 15.1 of the present Articles. The minimum hurdle rate set for the annual return on investments for the Company shall be 10% (ten percent) upon deduction of all costs of the Company referred to in Clauses 14.1 and 15.1 of the present Articles. The Company's annual rate of return on investments shall be determined from a Microsoft Excel XIRR formula which establishes the timing and size of both positive and negative flows of the Company. In determining the Company's annual rate of return on investments, all payments to the shareholders shall be included but the success fee shall be excluded. The Company cannot guarantee that the Company's annual rate of return on investments will reach the target 14–20% (fourteen to twenty percent) and/or that the minimum hurdle rate of 10% (ten percent) will be achieved, and/or that the Company will pay dividend to its shareholders in the relevant years.

11. INVESTMENT OBJECTS

- 11.1. Assets of the Company may be invested through investments described in Clause 10.1 above, by carrying out related construction, major and/or routine repair works as needed.
- 11.2. Assets of the Company may be invested in movable properties and equipment required for the operation of immovable properties contained in the Company's investment portfolio.
- 11.3. In the period until funds received from investors are invested in the property referred to in Clause 11.1 hereof, and at any other time during the term of the Company's activities (also upon expiry of the investment period), when the Company has free funds (e.g. upon sale of an immovable property), the Company's assets may be temporarily invested in:
- 11.3.1. deposits in a credit institution for a term of maximum 12 (twelve) months, which can be withdrawn upon demand at a credit institution with the registered office in a state of the European Economic Area or another state where risk-limiting supervision is as stringent as in the European Union;
 - 11.3.2. various investment-grade debt securities of a government of any state of the world or of an undertaking operating in any state of the world;
 - 11.3.3. various collective investment undertakings, where investment strategies of such collective investment undertakings match the Company's investment strategy.
- 11.4. Assets of the Company may be invested in derivative financial instruments for risk management purposes (as a hedge against adverse developments in the market). The Company shall not invest in derivative financial instruments for investment purposes.

- 11.5. The Company shall not carry out investing in loans. The Company shall be prohibited from using its assets to guarantee or stand surety for liabilities of other persons.
- 11.6. The Company shall have the right to borrow upon obtaining an approval of the General Meeting. Borrowing value shall not exceed 80% of the Company's assets. If at any point the debt of the Company exceeds 80% of the Company's assets, such excess shall be reduced to the said 80%-limit within 6 months from appearance of such excess. No maximum borrowing term shall be set, however, the agreement on borrowing shall provide for a possibility to repay the funds at the end of the term of the Company's activities even though the borrowing term is longer.
- 11.7. Assets of the Company (immovable properties, cash, securities, accounts receivable and/or other assets) may be provided as a collateral in any form if the Company seeks to raise funding for its operations and/or refinancing of current credits, however, it may not be used for securing third-party obligations. In addition, the Company may assume other obligations (e.g. undertake not to take certain actions without the creditor's consent) that are usually required by creditors as one of the financing preconditions. To obtain funding, the Company may present its assets as collateral to creditors and/or encumber them by mortgage and/or pledge.

12. MANAGEMENT OF INVESTMENT RISK

- 12.1. Direct and indirect investments of the Company in immovable properties (as defined in Clause 11.1 hereof) may account for up to 100% (one hundred percent) of the Company's assets.
- 12.2. All Company risks, including concentration risks, shall be managed in accordance with the Risk Management Policy approved by the Management Company. The Management Company's Risk Management Policy shall be available at the Management Company's registered office, as further specified in the present Articles.
- 12.3. The Company shall initiate the sale process of the Building no later than 2 (two) years after registration of 100% completion of the Building with the Real Estate Register.
- 12.4. Throughout the term of operation of the Company, free funds not at the time required for investments described in Clause 11.1 or performance of actions related to immovable property, may be invested in the instruments referred to in Clause 11.3 of the present Articles.

13. NET ASSETS, NET ASSET DETERMINATION PROCEDURE AND SHARE VALUATION PROCEDURE

- 13.1. The Company's NAV shall be determined as the Company's assets less the Company's liabilities including the Management Fee liability and the Success Fee liability. For the purposes of determination of NAV, the value of the Company's assets and the Company's liabilities shall be determined separately, as well as the difference between the values of the assets and the liabilities which shows NAV. The Company's NAV shall be determined according to the rules for the determination of NAV contained in the present Articles.
- 13.2. The assets (or any part thereof) shall be written off only upon exercise of the rights to the assets (or part thereof), upon expiry of the term of validity of the rights, or upon assignment of the rights.
- 13.3. The Company's assets and liabilities shall be determined according to the provisions of the Business Accounting Standards.
- 13.4. Determination of assets and liabilities shall be based on their fair value, except for case provided for in applicable Business Accounting Standards.
- 13.5. The fair value of assets and liabilities shall be established on the basis of observable transactions on the market (e.g., transactions concluded with similar property) or market information. If there are no observable market transactions or market information related to assets and liabilities, the fair value shall be established based on valuation methodology which mainly makes use of significant observable market data (e.g., market interest rate), and non-observable data shall be used as little as possible. In order to establish the fair value, the aim is the same in all cases – to establish the

amount for which, on the valuation date, the parties to the transaction could sell an asset or service or transfer a liability to each other under normal market conditions.

- 13.6. For the purposes of determination of NAV, valuation of assets and liabilities denominated in foreign currencies shall be based on the euro and foreign currency exchange rate applied for accounting purposes as of the valuation date in accordance with the Republic of Lithuania Law on Accounting and the Company's accounting policies.
- 13.7. Costs, revenues, accounts payable and receivable, changes in investment portfolio related to purchase and sale of investment objects, as well as changes in the number of investment units related to the issue or redemption of investment units shall be reflected in the NAV calculations based on the data as at the end of the valuation day.
- 13.8. The Company's NAV shall be determined in euro.
- 13.9. Fair value of instruments traded in regulated markets, multilateral trading facilities, and/or organised trading facilities (each of them a 'trading facility') shall be determined as follows:
 - 13.9.1. equity securities and collective investment undertaking units – on the basis of the published closing price of the last trading session on the main market;
 - 13.9.2. instruments other than described in 13.9.1 – on the basis of the published closing price of the last trading session on the main market;
 - 13.9.3. if an instrument was not quoted during the last trading session, its fair value shall be determined on the basis of the last known published closing price of the last trading session on the main market which shall not be earlier than 30 days, if there were no events since the last trading date due to which the present market price is significantly lower or higher than the last known price;
 - 13.9.4. if an instrument was not quoted for more than 30 days prior to the valuation date, its valuation method shall be the same as the method applied to instruments not traded in trading facilities;
 - 13.9.5. if trade of instruments on foreign trading facilities which data is used to establish the value of the instrument has not closed, the last traded price shall apply, or the expected selling price, if any circumstances arose after the last trading day due to which the last published closing price of the last trading session on the main market is significantly lower or higher;
 - 13.9.6. if the circumstance described in Clause 13.9.4 repeats several times, the Management Company shall have to decide whether further designation of such instruments as instruments traded in trading facilities is justified, and whether they should not be permanently valued as instruments not traded in trading facilities;
 - 13.9.7. **The main market** shall be the trading facility where the instruments being valued have been purchased and/or sold. If the trading of such instrument on such market ceases, the main market shall be the market where the trading of such instrument shows most liquidity, regularity, and frequency (these characteristics best reflected by the instruments' turnover for the previous 12 months and average daily transaction volume).
- 13.10. Valuations of equity securities not traded in trading facilities shall be made as follows:
 - 13.10.1. based on a valuation made by an independent business valuator that is entitled to make the valuation in accordance with the CIUIII Law and other legal acts governing asset valuation, provided that not more than 6 (six) months have passed from the valuation and provided that no events have occurred after the valuation due to which the present market price is significantly lower or higher than the price determined by the valuator;
 - 13.10.2. if, for any reason, using the method provided in Clause 13.10.1 of the present Articles is impossible, the valuation shall be made by conservatively applying the equity approach,

i. e. based on audited (if audit is mandatory) financial statements of companies owned by the Company, drawn up according to a procedure prescribed by the law, in which the companies' assets are disclosed at fair value. In such a case, the value of equity securities shall be deemed to be the amount of equity (equity capital) as disclosed in the financial statements, divided by the total number of equity securities and multiplied by the number of securities of the company held by the Company. In case of a negative value of the equity capital, the total value of equity securities shall be deemed at EUR 1 (one euro). Valuation of equity securities according to a procedure set out in this Clause 13.10.2 shall be made at least once in 6 months;

13.10.3. if, for any reason, using the methods provided in Clauses 13.10.1 and 13.10.2 of the present Articles is impossible, the valuation shall be based on the realisable value (probable selling price) determined according to a selected valuation model that is universally recognised and applied in financial markets.

13.11. Valuation of debt securities and money market instruments not traded in trading facilities shall be made in accordance with applicable Business Accounting Standards.

13.12. Valuation of derivative financial instruments shall be based on the last market value of an analogous previous transaction provided that no significant change in economic circumstances has occurred in the period from the transaction date until the valuation date. If economic circumstances have changed, the valuation shall be based on the realisable value (probable selling price) determined according to a selected valuation model that is universally recognised and applied in financial markets.

13.13. Valuation of term deposits in banks shall be based on amortised cost. Valuation of cash and funds in credit institutions, excluding term deposits, shall be based on the par value.

13.14. The market value of immovable properties shall be determined based on a valuation made by an independent asset valuator that is entitled to make the valuation in accordance with the MACIU Law, CIUUI Law and other legal acts governing asset valuation, provided that not more than 6 (six) months have passed from the valuation and provided that no events have occurred after the valuation due to which the present market price is significantly lower or higher than the price determined by the valuator. In order to establish NAV as on the date of approval of the Articles of the Company, data provided by an independent property appraiser shall be used, such data to be received by the Company together with the Management Company no earlier than 2 months prior to the approval of the Articles of the Company by the Bank of Lithuania.

13.15. A valuation of immovable properties shall be made at least once in six months provided that no material economic changes or changes in the immovable property market prices, requiring a new valuation, have occurred. Valuation would be performed at least as on June 30 and December 31 of the current year.

13.16. Valuation of other assets shall be based on realisable value (most probable selling price) determined according to a selected valuation model that is universally recognised and applied in financial markets.

13.17. The value of the Company's shares shall be determined by dividing NAV by the total number of issued shares of the Company. The value of the Company's shares shall be determined to the accuracy of four decimal places, with the rounding-off according to the mathematical rounding-off rule. Total value of all shares issued by the Company is always equal to the Company's NAV.

13.18. The Company's NAV and the value of the Company's shares shall be determined each calendar month, based on the information as of its last day. NAV shall also be determined according to actual data as of the date of the adoption of the General Meeting's decision to increase the Company's authorised capital by issuing new shares of the Company. The Company's NAV shall also be determined according to actual data as of the date of approval of the Articles of the Company by the Bank of Lithuania. The Company's NAV shall also be determined:

- 13.18.1. upon increase of the Company's authorised capital – according to the data as of the date of registration of the amended Articles of Association;
 - 13.18.2. upon receipt of additional contributions from the Company's shareholders - according to the data as of the date of crediting of the contributions to the Company's account;
 - 13.18.3. upon payment of funds to the shareholders due to reduction of the Company's authorised capital – according to the data as of the date of registration of the amended Articles of Association;
 - 13.18.4. upon payment of funds to the shareholders as the Company's dividend – according to the data as of the date of transfer of full dividend from the Company's account.
- 13.19. NAV and the share value as of December 31 and June 30 of the corresponding year shall be determined and published on the website of the Management Company by 12:00 PM on the 15th (fifteenth) business day of, respectively, January or July. In other cases, NAV shall be determined and published on the website of the Management Company within 15 (fifteen) business days from the date the data of which is used as a basis for the NAV determination. The website of the Management Company shall be specified in the Prospectus of the Company.

14. THE COMPANY'S COST STRUCTURE

- 14.1. All operation costs of the Company, including costs related to implementation of the investment strategy of the Company, shall be paid from the assets of the Company. Non-exhaustive list of costs to be paid from the assets of the Company:
- 14.1.1. the depositary's fee;
 - 14.1.2. auditors' fees;
 - 14.1.3. fees to financial brokers;
 - 14.1.4. remuneration of the Management Company in accordance with Article 15 below;
 - 14.1.5. costs of the Company's preparation for investment activities (structuring of activities), obtaining approval of the Articles of the Company from the Bank of Lithuania;
 - 14.1.6. fees for services provided by financial institutions;
 - 14.1.7. fees to asset and business valuers;
 - 14.1.8. remuneration to the members of the Committee (if set when establishing the Committee);
 - 14.1.9. accounting costs, including remuneration to third parties keeping the Company's accounts;
 - 14.1.10. currency exchange costs;
 - 14.1.11. currency exchange hedge;
 - 14.1.12. litigation costs;
 - 14.1.13. securities (including securities issued by the Company) account and other account management fees;
 - 14.1.14. costs of formalisation, registration and de-registration of assets provided as a collateral;
 - 14.1.15. forced recovery costs;
 - 14.1.16. state taxes and duties, municipal duties and charges;

- 14.1.17. costs of preparation and presentation of information on the Company;
- 14.1.18. costs of amendments to the Articles of Association and the Prospectus;
- 14.1.19. consulting costs;
- 14.1.20. expenses for notaries, registration and legal services;
- 14.1.21. taking out professional insurance for persons responsible for the Company's activities;
- 14.1.22. costs of entertainment and advertising related to the real estate activities of the Company;
- 14.1.23. costs related to the Company's share offerings including but not limited to travel costs and other justified additional costs as well as any stamp duties, other duties or charges related to the transfer of the Company's shares/assets, the issue, sale, distribution and delivery of the Company's shares, and the acquisition, transfer, or development of assets;
- 14.1.24. costs related to loans in the Company's name (including loan interest and other financing charges and payments, costs of conclusion of loan agreements (administration fees), interest rate change, amendments to terms and conditions of loan agreements, obtaining permissions and approvals from credit institutions and other related costs);
- 14.1.25. permanent investment objects' maintenance and improvement costs (including but not limited to administrative, repairs, support, insurance, and other costs);
- 14.1.26. costs related to immovable property development (construction of immovable properties);
- 14.1.27. immovable properties' operating costs (including but not limited to utility, insurance, security, lift maintenance costs, real estate tax and other operating costs);
- 14.1.28. costs related to the sale, acquisition and management of immovable properties and other investment objects and to the tenant search;
- 14.1.29. costs related to the sale of the Building;
- 14.1.30. other costs related to the Company's activities.

14.2. Where any costs that are to be paid from the Company's assets are paid by the Management Company out of its assets, the Management Company shall be entitled to reimburse such costs from the Company's assets, i. e. to transfer the amount of costs incurred for the benefit of the Company to the account of the Management Company. Having obtained the approval of the Articles by the Bank of Lithuania, the Company shall compensate the costs incurred by the Management Company in relation thereto, which amount shall not exceed EUR 17,000 (seventeen thousand euro).

14.3. Costs shall be calculated and paid for on the basis of relevant invoices received by the Company.

15. METHODOLOGY FOR THE CALCULATION OF THE MANAGEMENT COMPANY'S FEE. RATE OF THE FEE AND PAYMENT PROCEDURE

15.1. A Management Fee shall be paid annually to the Management Company from the Company's assets. The Management Fee shall account for 2% (two percent) of the Company's NAV (excluding VAT which, where appropriate, shall be calculated and included in the invoice separately). The Management Fee shall be calculated and paid in accordance with Clauses 15.3 and 15.4 of the present Articles.

15.2. The average annual NAV of the Company shall be determined under the following formula:

$$\frac{\sum_{N=1}^m (GAV_n \times d_n)}{k}$$

where:

GAV_n shall be the NAV on day n of the NAV determination;

m shall be the number of times of NAV determination in the year concerned;

d_n shall be the number of calendar days to which the determined GAV_n applies;

k shall be the number of calendar days in the year for which the average NAV is being determined.

- 15.3. Management fee shall be paid on a monthly basis by the 15th day of the current calendar month. Such management fee payable to the Management Company monthly shall be determined on accrual basis for each calendar day of such month proportionally by applying an annual rate of 2% (two percent) and taking into account the Company's NAV as established on the basis of data as on the last day of the preceding month (e.g., management fee payable for February shall be calculated on the basis of the Company's NAV as established on the basis of data as on January 31 and shall be paid to the Management Company by March 15).
- 15.4. After the end of the calendar year, having established and published the Company's NAV on the basis of data as on the last day of December, the Management Company, acting in accordance with the rule established Clause 15.1 of the present Articles, shall recalculate the management fee payable for the previous calendar year by applying an average annual NAV calculated by the formula provided in Clause 15.2 hereof. Should an overpayment or underpayment of the management fee be found during recalculation, the management fee payable for December of the previous calendar year shall be reduced or increased by the overpaid or underpaid amount, respectively (such fee to be paid by January 15 of the new calendar year).
- 15.5. A success fee shall be paid to the Management Company from the Company's assets. The success fee shall be payable to the Management Company only if the Company's annual return on investments exceeds the hurdle rate, i.e. 10% (ten percent) upon deduction of the Company's costs listed in Clauses 14.1 and 15.1 of the present Articles incurred before calculation of the success fee. In such a case, 20% (twenty percent) of the amount by which the annual hurdle rate is exceeded shall be paid to the Management Company. VAT, if any, shall be calculated and included in the invoice separately. The Company's annual return on investments for the period from the approval of the Articles of the Company by the Bank of Lithuania until the moment of determination of the success fee shall be determined as follows:
- the Company's actual annual return on investments is determined using Microsoft Excel XIRR formula, which establishes the timing and size of both negative flows (shareholders' contributions to the Company which shall be included in the XIRR formula after payment for the Company's shares issued to increase the authorised capital of the Company) and positive flows (the Company's payments to the shareholders) in the Company. For the purpose of calculation by using Microsoft Excel XIRR formula, the date of approval of the Articles of the Company by the Bank of Lithuania shall be considered the date of the first negative cash flow in the Company which would amount to the Company's NAV established on the basis of data as on the date of approval of the Articles of the Company by the Bank of Lithuania, such value to be established with the view that the total value of all immovable property described in Clause 10.1 hereof including the possibility of construction (development) of said property, shall be as established by independent appraisal, however, in any event, regardless of the value established by independent appraisal, shall be at least EUR 3,200,000 (three million two hundred thousand euro). The parties agree that the value of such property of the Company shall use the valuation as described in Clause 13.14 hereof;
 - if the actual determined annual return on investments of the Company is higher than the Company's hurdle rate, the last positive flow shall be reduced, by testing, until the Company's actual annual return on investments determined by means of Microsoft Excel XIRR formula reaches 10%;
 - the amount by which the last positive flow will be reduced will be the amount by which the Company's hurdle rate is exceeded.

The amount payable to the shareholders shall be reduced by the success fee. The success fee shall be determined having regard to the Company's share issue price and the date of payment for the shares.

- 15.6. The amount of the success fee payable to the Management Company shall be determined every time when NAV is determined. If it is established, in the NAV determination process under Clause 15.5 of the present Articles, that the success fee is payable to the Management Company, then such amount payable shall be carried in the Company's accounts as a liability to the Management Company, and the payable amount of success fee shall be included in the NAV determination, and the final NAV shall be determined taking this into account. 50% (fifty percent) of the accrued success fee shall be paid from the Company's funds to the Management Company as an advance payment. Every year the advance amount payable shall be determined upon determination of NAV as of December 31 of the year and the payment shall be made within 5 (five) working days after the relevant NAV determination. Should it be determined, in the process of determination of the success fee payable to the Management Company in subsequent years, that the success fee payable to the Management Company is smaller than calculated in the previous year or that no success fee is payable at all, then the Company's liability to the Management Company shall be reduced accordingly, and the Management Company shall repay the amount of the success fee received in advance to such extent that the total amount paid in advance does not exceed 50% of the success fee liability. The Management Company shall make the repayment within 30 (thirty) days after determination of NAV based on the data as on December 31 of the respective year. In any case, the amount of the success fee repaid by the Management Company to the Company shall not exceed the advance payment made by the Company to the Management Company.
- 15.7. On expiry of the term of operation of the Company and during its liquidation, the success fee for the entire term of operation of the Company shall be determined according to a procedure set out in Clause 15.5 of the present Articles.
- 15.8. If the amount calculated in accordance with Clause 15.7 of the present Articles exceeds the amount of the payable success fee accrued by that date and carried in the Company's accounts as a liability (without deducting the advance payments made to the Management Company), then the Company's liability to the Management Company shall be increased by such difference. The remaining difference between the amount of the Company's liability and the amount of the success fee already paid to the Management Company in advance shall be paid to the Management Company. This amount shall be paid to the Management Company at the same time as the final payments to the Company's shareholders.
- 15.9. If the amount calculated in accordance with Clause 15.7 of the present Articles is less than the amount of the success fee accrued by that date and carried in the Company's accounts as a liability (without deducting the advance payments made to the Management Company), the Company's liability to the Management Company shall be reduced by the difference amount. The remaining difference between the Company's liability and the amount of the success fee already paid to the Management Company in advance shall be paid to the Management Company. This amount shall be paid to the Management Company at the same time as the final payments to the Company's shareholders.
- 15.10. If the amount calculated in accordance with Clause 15.7 of the present Articles is less than the success fee already paid by the Company to the Management Company in advance (i.e. the difference is negative), then the Company's liability to the Management Company shall be reduced to EUR 0 (zero euro), and the Management Company shall return the overpayment of the success fee to the Company in the amount of the negative difference. This amount shall be repaid to the Company within 30 (thirty) days after publishing of the calculations made by the Management Company to the Company's shareholders.
- 15.11. If the Management Company ceases to be the manager of the Company before the Company has been liquidated, i.e. if the Agreement of transfer of the Company's management to the Management Company terminates or expires, additional payments may be made to the Management Company in accordance with the terms of the said agreement, including the success fee described in the present Articles.

16. PROVISION OF INFORMATION TO SHAREHOLDERS

- 16.1. Documents and other information of the Company shall be presented to the Company's shareholders according to the procedures laid down in the Civil Code, Law on Companies, MACIU Law, CIUIII Law, and the present Articles. The information to be periodically disclosed in accordance with the MACIU Law shall be prepared and disclosed in accordance with the requirements of Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency, and supervision, with the latest amendments enacted by Commission Delegated Regulation (EU) 2018/1618 of 12 July 2018.
- 16.2. The Prospectus and the Key Information Document prepared according to a procedure laid down in the CIUIII Law shall be presented to the shareholders.
- 16.3. The Prospectus, the present Articles, annual financial statements of the Company and audit opinions thereon, annual operating reports of the Management Company and the Company, the six-month report of the Management Company and the Company and the Risk Management Policy, information on the Building, its development, agreements concluded for development of the Building, and other operational documents of the Company, documents of the Company submitted to the Bank of Lithuania, and the approval of the Articles of the Company by the Bank of Lithuania shall be made available to the shareholders at the headquarters of the Management Company. Seeking access to such documents, a shareholder shall notify the Company and indicate what specific information they want to view. Having obtained the relevant information, the Company shall in 5 (five) business days notify the shareholder of the time when the information will be made available to them. The information shall be provided to the shareholder in the form in which it is kept by the Company. In any event, the Company shall provide the shareholder with an opportunity to view the requested information with 20 (twenty) business days. In cases where preparation of the information to be made available to shareholders incurs any costs, such costs shall be covered from the funds of the Company.
- 16.4. At a shareholder's request, the Prospectus and a copy of the Articles of Association shall be sent to electronic mail address specified by the shareholder or shall be presented by any other method indicated in the Investment Agreement. The address, website and other particulars of the Management Company shall be provided in the Prospectus.
- 16.5. A copy of the Prospectus and a copy of the Company's annual operating report shall be presented to the investor free of charge prior to conclusion of the Investment Agreement and the share subscription agreement. Other investors shall also be furnished with copies of the Prospectus or the Company's operating report at their request.
- 16.6. Information on the value of the Company's shares held by a shareholder shall be provided at the shareholder's request. Such information will be provided to all shareholders once in a year.
- 16.7. Documents and other information of the Company, or copies thereof, shall be provided to the shareholders at the headquarters of the Management Company. Responsibility for the provision of the Company's documents and other information to the shareholders and other persons shall lie with the Management Company.
- 16.8. Documents of the Company, copies thereof and/or any other information shall be presented to the shareholders without demanding compensation of any related expenses.

17. ACCOUNTING AND AUDIT OF THE COMPANY

- 17.1. The Company's accounts shall be kept and its financial statements shall be drawn up according to procedures prescribed in the laws and other legal acts of the Republic of Lithuania governing accounting and drawing up of financial statements.
- 17.2. The annual financial statements of the Company shall be audited. An audit firm having audited the Company's annual financial statements shall provide an auditor's opinion and an audit report.

18. PROCEDURE FOR THE PUBLICATION OF THE COMPANY'S NOTICES

- 18.1. Any notices of the Company including information and documents related to convening of the General Meeting as well as notices and information on reorganisation and liquidation of the Company, decisions of the General Meeting, other notices and documents that must be notified to the shareholders and/or other persons under the law shall be published in the outlet specified in Clause 18.2 below or, if so required under the Law on Companies, sent by registered mail or delivered by hand against signature. If necessary, notices may be sent by electronic mail, to be followed by registered mail or delivery by hand against signature. Other notices to shareholders that are not mandatory under the law but are provided for in the present Articles shall be delivered according to a procedure set out herein.
- 18.2. Public notices of the Company shall be published in the electronic bulletin for public notices issued by the Register of Legal Entities of the Republic of Lithuania. Where publication in this bulletin is not possible for technical reasons, notices shall be published in daily newspaper "Lietuvos Rytas".
- 18.3. Notices of the Company shall be published and/or sent within the time limits established in the Civil Code, Law on Companies, MACIU Law and CIUIII Law, and if no time limits have been established, notices shall be sent not later than within 15 (fifteen) days from the date of adoption of the decision/document or of provision of information to the Company.
- 18.4. Responsibility for the timely publication and/or sending of notices shall lie with the Management Company.
- 18.5. Notices to shareholders and other persons shall be sent to the last address specified by them. Shareholders shall notify the Company about any change in their address (registered office) in advance.

19. AMENDING THE ARTICLES OF ASSOCIATION OF THE COMPANY. BRANCHES AND REPRESENTATIVE OFFICES

- 19.1. The present Articles of Association of the Company, including also the parts of the Articles related to investment strategies, shall be approved and amended by decision of the General Meeting. An amendment to the Articles of Association shall take effect upon its registration in the Register of Legal Entities according to a procedure prescribed by law.
- 19.2. Branches and/or representative offices of the Company shall be established and their activities shall be terminated by decision of the Management Company. The number of branches and/or representative offices of the Company shall not be limited.
- 19.3. Branches and/or representative offices of the Company shall act in accordance with regulations of the branches and/or representative offices approved by the Management Company.

20. PROCEDURE FOR THE SALE OF THE COMPANY'S ISSUED SHARES

- 20.1. The procedure for the sale of the Company's shares is established below, and Article 47 of the Law on Companies shall not apply.
- 20.2. A shareholder shall notify the Company and the Management Company in writing of the intention to sell all or part of the Company's shares owned by them, specifying the number of shares to be transferred, the sale price of the shares, other essential conditions of sale, and the buyer of the shares (full name, personal identification number and place of residence of a natural person; name, legal form, company number and registered office address of a legal person).
- 20.3. A holder of the Company's shares intending to sell the Company's shares shall ensure that the intended buyer of the Company's shares contacts the Management Company so that it can properly assess whether the buyer meets the requirements set for informed investors under the CIUIII Law. Before acquiring the Company's shares, each person intending to purchase them shall fill out the Informed Investor Questionnaire and confirmations prepared by the Management Company and indicate the basis on which they are considered to be an informed investor. By signing the above-

mentioned documents, the person shall also assume obligations and liability in case the person's fraudulent actions to justify their status as an informed investor are later established.

- 20.4. The sale transaction of the Company's shares may be completed (implemented) only subject to a written consent of the Management Company regarding the sale of the Company's shares to the specific buyer (such consent may not be unreasonably withheld). Before the Management Company's consent can be granted, a copy of the purchase and sale agreement for the Company's shares shall be submitted to the Management Company. The authenticity of the copy shall be confirmed by the signatures of a notary or the buyer and seller of the Company's shares.
- 20.5. The purchase and sale agreement of the Company's shares shall be made in a simple written form, except for the cases where a mandatory notarised form is required under the Civil Code. In order to transfer the Company's shares to any other person, a shareholder may be required to present a confirmation that the Company's shares are their personal property, or a power of attorney in a simple written form from a spouse of the shareholder where the shares constitute joint matrimonial property of spouses.
- 20.6. The provisions of Clause 20 of the Articles shall apply *mutatis mutandis* to the transfer or encumbrance of the Company's shares other than by way of sale (i.e., donation, exchange, pledge or any other encumbrance or transfer).
21. **REDEMPTION OF THE COMPANY'S SHARES FROM A PERSON WHO BECAME A SHAREHOLDER DUE TO ACTING IN BAD FAITH, OR FROM A PERSON WHO BECAME A SHAREHOLDER IN GOOD FAITH BUT DOES NOT MEET REQUIREMENTS**
 - 21.1. If the Management Company finds there is a person among the Company's shareholders who does not meet the informed investor criteria anymore or, in the Management Company's view, became a shareholder of the Company due to acting in bad faith by such person, even though they did not meet the requirements set for an informed investor at the time of becoming a shareholder of the Company, the Management Company, at its own discretion, may decide (regardless of how such decision of the Management Company is viewed by the shareholder themselves) to deliver to such person a notice of the person's non-compliance with the requirements set for an informed investor, which shall also indicate the basis on which it was found that the person had become a shareholder fraudulently.
 - 21.2. After delivery of the notice referred to in Clause 21.1 above, as provided for in the CIUIII Law, the Company's shares held by such shareholder may be redeemed without their separate consent. In this case, the shares shall be redeemed at the same time as the general redemption of shares from all shareholders of the Company. Considering the fact that the agreements concluded between the Company (and/or the Management Company) and the shareholder may provide for penalties to be paid by the shareholder due to their becoming a shareholder of the Company by acting in bad faith, such shareholder shall only be paid the amount (if any) that remains for their redeemed shares after offsetting the above-mentioned penalties (and/or compensation of damages) from the amount to be allocated to the shareholder for their redeemed shares. Agreements with investors shall provide for penalties expressed as a uniform percentage.
 - 21.3. If the Management Company finds that a person who does not meet the informed investor requirements may become a Company's shareholder (e.g. through inheritance of the Company's shares, divorce of a former shareholder, reorganisation of a former shareholder, or in other cases of the statutory transfer of ownership of the Company's shares), the Management Company shall take active steps in order to prevent such person from becoming a shareholder, e.g. by not agreeing to transfer the Company's shares to persons who do not meet the informed investor requirements.
 - 21.4. Notwithstanding that, if the Management Company finds that a person who does not meet the informed investor requirements has become a Company's shareholder (e.g. through inheritance of the Company's shares, divorce of a former shareholder, reorganisation of a former shareholder, or in other cases of the statutory transfer of ownership of the Company's shares), the Management Company shall take active steps to rectify the situation. After the Management Company becomes aware of such circumstances, the Management Company shall seek to find an investor meeting

informed investor requirements who would purchase the Company's shares and/or the Commitment (if applicable) held by the investor who does not meet the informed investor requirements.

- 21.5. If no replacement investor can be found as described in Clause 21.4 above within 6 (six) months from the date of the Management Company becoming aware of the investor not meeting the requirements, upon expiry of the said 6 (six)-month term, the Company's shares held by such shareholder may be redeemed without a separate consent from such shareholder. In this case, the shares shall be redeemed at the same time as the general redemption of shares from all shareholders of the Company. So long as the Company's shares held by the investor have not been redeemed, the investor shall participate in the Company on equal terms with all other shareholders and shall perform all obligations pertaining to the shareholders of the Company.

22. LIQUIDATION AND BANKRUPTCY OF THE COMPANY

- 22.1. The Company may be liquidated:

- 22.1.1. if a decision of the court or creditors is made to liquidate the Company upon bankruptcy;
- 22.1.2. at the end of the Company's term of operation;
- 22.1.3. in other cases provided for by law.

- 22.2. After a decision is made to liquidate the Company, its liquidator shall be appointed.

- 22.3. In the case provided for in Clause 22.1.2 above, the decision on liquidation of the Company shall be made and other actions shall be taken in sufficient time before the end of the Company's term of operation.

The present Articles of Association have been approved by decision of the General Meeting of 17 July 2023 and signed in Vilnius on 21 July 2023.

Person authorised by decision of the General Meeting of 17 July 2023

Andrius Barštys

DETAILED METADATA	
Document registration date and number	04/08/2023
Document receipt date and receipt registration number	02/08/2023, -
Purpose of signature	Approval
Name and capacity of the person creating the signature	ANDRIUS BARŠTYS
Date and time of the creation of signature	21/07/2023 14:00:33
Signature format	ETSI.CAdES.detached
Time indicated in the time stamp	21/07/2023 14:00:40
Information on the certification service provider	EID-SK 2016
Expiration date of certificate	28/04/2023 15:25:35–26/04/2028 23:59:59
Purpose of signature	Approval
Name and capacity of the person creating the signature	JURGITA ŠUKIENĖ
Date and time of the creation of signature	02/08/2023 12:29:01
Signature format	ETSI.CAdES.detached
Time indicated in the time stamp	02/08/2023 12:29:12
Information on the certification service provider	RCSC IssuingCA
Expiration date of certificate	09/12/2021 09:07:59–09/12/2023 09:07:59
Purpose of signature	Approval
Name and capacity of the person creating the signature	AUŠRA LAPINSKAITĖ
Date and time of the creation of signature	04/08/2023 15:07:15
Signature format	ETSI.CAdES.detached
Time indicated in the time stamp	04/08/2023 15:07:27
Information on the certification service provider	RCSC IssuingCA
Expiration date of certificate	24/11/2021 13:15:56–24/11/2023 13:15:56
Purpose of signature	Approval
Name and capacity of the person creating the signature	RCSC TSA3
Date and time of the creation of signature	
Signature format	ETSI.RFC3161
Time indicated in the time stamp	04/08/2023 16:18:35
Information on the certification service provider	RCSC IssuingCA-2
Expiration date of certificate	04/11/2021 15:22:47–04/11/2027 15:22:47
Information on the methods used for protection of integrity of the metadata	–

DETAILED METADATA	
Number of additions to the main document	—
Name of software used to compile the electronic document	—
Information about electronic document and electronic signature verification (date of verification)	—
Date of printing of copy of electronic document and name of employee who printed the electronic document	—
Search reference	—
Additional metadata	—

True copy with prima facie power

Document certified digitally by the
State Enterprise Centre of Registers
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