

**RULES OF THE OPEN-END INVESTMENT FUND
FOR INFORMED INVESTORS
INVL BRIDGE FINANCE**

The Rules have been prepared in accordance with the provisions of the Republic of Lithuania Law on Collective Investment Undertakings for Informed Investors (hereinafter – the LCIUIII) and the Republic of Lithuania Law on Management Companies of Alternative Collective Investment Undertakings (hereinafter – the LMCACIU). The Rules have been approved by the Supervisory Authority. The terms and definitions used in the Rules are indicated in Chapter I.

Investments in the Fund's units are subject to risk. As a result, the Fund and the Management Company cannot guarantee that Investors will recover their investment.

Investors should carefully read the information in the Prospectus on the risk factors to be taken into account before making a decision to purchase the Fund's investment units.

By signing the Investment Agreement, the Investor agrees and understands that:

- the Fund's investment units shall be redeemed on demand by the Investor in accordance with the procedure set out in the Rules;

- the Fund's units shall be subject to mandatory redemption in accordance with the procedure set out in the Rules;

- in the event of a delay in the transfer of funds, the Management Company shall be entitled to apply to the Investor the sanctions set out in the Rules;

- refusal to provide information and documents that would enable the Management Company and/or the Distributor to determine whether the Investor meets the requirements for participation in the Fund set out in the Documents and/or to comply with the requirements for the prevention of money laundering and the prevention of terrorist financing, or the failure to provide such information and documents within the time limit set by the Management Company and/or the Distributor or in case of submission of incomplete information and documents, the Management Company and/or the Distributor shall refuse to enter into the Investment Agreement and, if it has been entered into, the Management Company shall be entitled to unilaterally terminate the Investment Agreement and to return to the Investor the funds transferred to the Fund's account without making any further payments which may be due to the Investor in accordance with the Documents (while ensuring that this Investor does not gain an advantage over other Investors);

- in some countries, the distribution of the Documents and the offer of units of the Fund may be prohibited. The Documents do not constitute (and shall not be construed as) an offer or inducement to acquire units of the Fund in countries where it is not lawful to do so, or where the person doing so is not entitled to offer or induce other persons to acquire the units of the Fund. Every person who has received or otherwise become acquainted with the Documents and every person considering the acquisition of the units of the Fund shall be required to become acquainted with and comply with all legal acts applicable to the acquisition and offer of the units of the Fund;

- the Documents are not intended for distribution and may not be made available for perusal by persons who may consider purchasing the units of the Fund who are residents of the United States of America, Canada, Japan, South Africa, the Commonwealth of Australia and New Zealand without the Management Company's express instructions.

The Rules shall set out the relationship between the Management Company and the Investors.

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I. GENERAL INFORMATION ABOUT THE FUND AND DEFINITIONS

- 1.1. **Name** – Open-end investment fund for informed investors INVL Bridge Finance
- 1.2. **Management Company** – INVL Asset Management UAB, legal entity code 126263073, head office address: Gyneju str. 14, Vilnius, e-mail: info@invl.com, www.invl.com.
- 1.3. **Depository** – Šiaulių bankas AB. Tilzes str. 149, 76348 Siauliai, Republic of Lithuania.
- 1.4. **Compliance with LCIUIII requirements** – the Fund meets the following criteria set out in the LCIUIII:
 - (i) the Fund is intended for more than one entity not related to the Management Company;
 - (ii) more than 50% of the net asset value (hereinafter – the NAV) of the Fund (including Investors' subscriptions and outstanding Obligations) comprises the sum of the NAV of the Fund and Investors' subscriptions and outstanding Obligations attributable to entities not related to the Management Company;
 - (iii) at the time of revocation of the Fund, the Fund's assets shall be sold to persons unrelated to the Management Company.
- 1.5. **Participant** – an entity who has entered into an Investment Agreement and has become the owner of a unit of the Fund.
- 1.6. **Documents** – the Rules and the Prospectus together.
- 1.7. **Investment Agreement** – agreement for the investment or commitment to invest a total amount as defined in the paragraph 6.2 of the Rules.
- 1.8. **Investor** – a participant or potential participant in the Fund who is eligible according to the LCIUIII.
- 1.9. **Beginning of operations** – 24 March 2015
- 1.10. **Term** – unlimited.
- 1.11. **Currency** – EUR (euro).
- 1.12. **Strategy** – a private debt fund.
- 1.13. **Supervisory Authority** – Lietuvos bankas, which in accordance with the procedure established by the legal acts of the Republic of Lithuania, performs the functions of supervision over the activities of collective investment undertakings for informed investors and their management companies.
- 1.14. **Prospectus** – a document that provides Investors with information about the investment units offered by the Fund.
- 1.15. **Distributor** – an entity who, on the basis of an agreement with the Management Company, carries out the sale of the Fund's units and performs the other actions set out in the relevant agreement with the Management Company. Distributor of the Fund's units: FMI INVL Financial

Advisors UAB, serving retail clients, legal entity code: 304049332, address: Gyneju str. 14, LT-01109 Vilnius, Lithuania.

II. FUND INVESTMENT STRATEGY

- 2.1. The objective of the Fund is to earn a return for the Participants by providing the companies (hereinafter – Target Companies) which have a need of borrowed capital with financing. The Fund may use the following debt financing models: bond issuance, bridge finance or similar types of financing such as mezzanine-type financing and convertible debt. For the sake of clarity, it should be noted that the Fund will not provide financing to the Target Companies on the basis of loan agreements as defined in Article 6.870 of the Civil Code of the Republic of Lithuania.
- 2.2. The Management Company invests the Fund's assets in companies that have a need of borrowed capital.
- 2.3. The Fund seeks to provide the Target Companies with capital as long as they are not able to receive funding from other sources on better terms than, in view of to the Management Company, suits the investment interests of the Fund.
- 2.4. The Fund implements the objectives of its investment strategy – short- and medium-term investments in promising businesses – by providing financing.
- 2.5. If the Management Company decides that continued investment in the Target Company's no longer suits the investment interests of the Fund or that the Target Company has obtained the opportunity to receive financing for more favourable conditions the Fund terminates the financing and searches for a new Target Company which would be a suitable investment of the Fund.

Information About Investment Risk

- 2.6. Diversification requirements are not applied to the Fund investment portfolio; therefore, Participants might face a high concentration risk.
- 2.7. Investment risks are described in the Prospectus.

Investment Objects

- 2.8. Fund investment objects are, including but not limited to, debt securities of up to 3 years' duration issued by the Target Companies, equity and non-equity securities, and other debt financial instruments of the Target Companies.
- 2.9. To create an additional liquidity buffer and ensure the Fund's obligations to redeem Fund units in accordance with the procedure laid out in the Rules, the Fund invests part of the assets in liquid investment instruments. Suitable investments include Government or corporate bonds with investment-grade ratings or money market instruments, collective investment undertakings that invest in money markets, index funds, exchange-traded funds (ETFs), deposits, risk management and debt derivatives (e.g. exchange rate hedges or bonds with early redemption options). In addition, Fund can keep a certain amount of funds in cash.

- 2.10. Depending on the cash flow movements of the cash invested in the Target Companies and the Fund's liquidity risk management requirements, the proportion of liquid investments may be up to 20% of the Fund's assets. In exceptional cases, for example, when seeking new investments from the Target Companies following the realisation of an investment, the proportion of liquid investments in the Fund may temporarily exceed 20% of the Fund's assets.
- 2.11. When managing investment risk for the purpose of securing and/or structuring the Fund's investments, the assets other than those referred to in paragraph 2.8 of the Rules may be pledged for the Fund's benefit or (by way of conversion of debt securities, foreclosure or other action) transferred to the ownership of the Fund.

Geography of investment

- 2.12. The Fund invests in the Target Companies located (in order of priority) in the Baltic States and other European Union countries. Other investment instruments (invested in for liquidity purposes) have no geographical restrictions, except for: (i) countries subject to international sanctions; (ii) countries with high political risk.

Limitations

- 2.13. Fund's assets, the value of which cannot exceed 100% of Fund's NAV can be lent or transferred as collateral. The maximum Fund's asset lending term cannot exceed 5 years. The decision regarding Fund's asset lending is made by the Management Company. It is prohibited to lend Fund's assets to its Participants.
- 2.14. If needed, Fund borrows funds in order to obtain additional funding for financing the acquired investment objects. The Fund can borrow up to 100% of Fund's NAV. The Fund engages in loan agreements for terms of less than 5 years.

III. RIGHTS AND OBLIGATIONS OF THE PARTICIPANTS

- 3.1. Each Participant shall have the following rights:
 - 3.1.1. to demand at any time the Management Company to redeem his/her investment units and to receive funds in respect of the redeemed investment units of the Fund according to the conditions set out in the Rules;
 - 3.1.2. to receive a share of the Fund's assets in accordance with the procedures set out in the Rules and LCIUIII, legal acts that are distributed to the Participants upon the decision of liquidating the Fund;
 - 3.1.3. to receive a part of free cash flows of the Fund in accordance with the procedures set out in the Rules and legal acts if the Management Company decides to distribute the free cash flows to the participants while the Fund is still operating;
 - 3.1.4. to receive information about the Fund determined in legal acts: the Rules, Prospectus, Key Information Document, other pre-contractual information documents of the Fund, Fund's and Management Company's annual reports together with the auditor's report, information about the value of investment units belonging to the Participant;
 - 3.1.5. only with the prior written consent of the Management Company and subject to the conditions set out therein, to transfer the investment units of the Fund held by the Participant to third parties by (a) entering into a simple written agreement for the transfer of the Participant's units, and (b) the mandatory conclusion of a tripartite agreement between the Participant, the new Investor and the Management Company for the assignment of the liabilities to the Fund of the Participant transferring the units

- of the Fund or a share thereof. Unless agreed otherwise, when transferring the units of the Fund, the new Investor shall be obliged to accept the previous Participant's liabilities or a portion thereof in proportion to the number (percentage) of units of the Fund transferred to it by the previous Participant compared to the previous Participant's total units held;
- 3.1.6. with the prior approval of the Management Company, to pledge or otherwise encumber the Fund's investment units or the rights attached thereto by delivering a copy of the transaction creating such pledge or encumbrance to the Management Company within 5 calendar days;
 - 3.1.7. other rights determined in the Documents and the legal acts.
- 3.2. Each Participant shall have the following duties:
- 3.2.1. to notify the Management Company in writing no later than within 10 calendar days of any change in the Participant's details (name, surname, residential or head office address, current account, telephone number, e-mail address, or any other details) as specified in the Investment Agreement;
 - 3.2.2. to transfer the Fund's investment units only to Investors who meet the eligibility requirements set out in the Rules and whose eligibility has been approved in advance in writing by the Management Company or its authorised person, and only with the Management Company's written consent;
 - 3.2.3. in the case of redemption or transfer of the investment units of the Fund, to submit a confirmation that the investment units of the Fund are the personal property of the Participant, or, in the case of the units of the Fund owned jointly by spouses, an application signed by both spouses, or by one of the spouses, provided that a power of attorney in a simple written form issued by the other spouse has also been submitted;
 - 3.2.4. to provide the Management Company and/or the Distributor with information and documents that enable the Management Company and/or the Distributor to determine whether the Investor meets the requirements for participation in the Fund as set out in the Documents and/or to comply with the requirements for the prevention of money laundering and terrorist financing. The Investor shall have this obligation not only at the time of conclusion of the Investment Agreement, but also throughout its term of validity;
 - 3.2.5. to fulfil other obligations set out in the Documents, the Investment Agreement and the legal acts.

Requirements for Investors

- 3.3. The Fund is intended for informed investors only. Informed investors are investors as defined in Article 3 of LCIUIII.

Minimum Investment Amount

- 3.4. The minimum investment amount shall be EUR 125,000, except in cases set out in paragraphs 3.5 and 3.6.
- 3.5. The investors who do not meet the minimum investment amount (EUR 125,000) but who are considered to be informed investors according to the other criteria set out in Article 3 of the LCIUIII shall be subject to a minimum investment amount of EUR 30,000 in the Fund.
- 3.6. The minimum investment amount when investing additionally (i.e. when the person has already invested and maintained the minimum investment amount) shall be EUR 10,000.
- 3.7. In order to assess the Investor's exemption from the application of the Distribution Fee, the amount invested in the Fund's units shall include all amounts of funds committed by the Investor

and its related persons (as defined in the Republic of Lithuania Law on Competition as a group of related economic entities or any other equivalent definition in other legislation of the Republic of Lithuania) to be invested into the Fund's units. The determination of the total amount invested by the Investor and its related persons shall be made by the Management Company in accordance with the statutory definitions only when assessing whether to apply the Distribution Fee to the Investor. The Management Company shall in any event ensure compliance with the requirements of the LCIUIII, which require, inter alia, that persons who do not meet the requirements of an informed investor (the Investor and/or persons related to the Investor) do not become participants in the Fund.

- 3.8. All Investors whose committed investment amounts have been included in the determination of the total amount to be invested in accordance with the procedure set out in paragraph 3.7 of the Rules, shall be subject to the Distribution Fee, which shall be applied to the aggregate amount of funds committed for investment by all related persons.
- 3.9. The Distribution Fee shall not be applicable to investments in the Fund by charitable and aid foundations acting as inviolable capital fund (or entities similar in nature established in foreign countries).
- 3.10. The Fund does not have unit classes and/or series.

IV. RIGHTS AND OBLIGATIONS OF THE MANAGEMENT COMPANY

- 4.1. The Management Company shall have the right to:
 - 4.1.1. use, manage and handle Fund's assets on the basis of a trust right;
 - 4.1.2. to receive Management Fee and use the Fund's assets to cover the costs incurred by the Management Company in managing the Fund;
 - 4.1.3. to demand Participant to timely honour his/her obligations under applicable legal acts, Documents, as well as liabilities under the Investment agreement;
 - 4.1.4. to conduct and execute transactions in the account and interests of the Fund, related to management of the Fund's assets and related to sale and redemption of Fund units;
 - 4.1.5. to carry out settlements that have been set out in the Rules by using Fund's assets;
 - 4.1.6. to transfer a part of its management functions to another enterprise that has the right to provide the respectful services;
 - 4.1.7. when concluding the Investment Agreement or at any time during its validity, require that the Investor provides the Management Company and/or the Distributor with information and documents that enable the Management Company and/or the Distributor to determine whether the Investor meets the requirements for participation in the Fund as set out in the Documents and/or complies with the requirements for the prevention of money laundering and terrorist financing. In case of refusal to provide information and documents, failure to provide such information and documents within the time limit set by the Management Company and/or the Distributor or in case of submission of incomplete information and documents, the Management Company and/or the Distributor shall refuse to enter into the Investment Agreement and, if it has been entered into, the Management Company shall be entitled to unilaterally terminate the Investment Agreement and to return to the Investor the funds transferred to the Fund's account without making any further payments which may be due to the Investor in accordance with the Documents (while ensuring that this Investor does not gain an advantage over other Investors);
 - 4.1.8. to suspend the redemption of the Fund's investment units in the cases and under the conditions provided for by the legislation;
 - 4.1.9. to amend the provisions of the Documents in accordance with the procedures set out in Chapter XIV of the Rules;

- 4.1.10. other rights set out in the Documents and the legal acts.
- 4.2. The Management Company shall have the following obligations:
 - 4.2.1. to act honestly and professionally, in adherence to obligations towards Investors and in accordance with requirements set out in the Documents and legal acts;
 - 4.2.2. to possess and apply the means and procedures necessary for its activities;
 - 4.2.3. to ensure that all Investors meet the requirements of informed investors, as set out in LCIUIII;
 - 4.2.4. to compile the Fund participant list and immediately update it as necessary;
 - 4.2.5. to disclose sufficient information to an Investor related as well as necessary to the Investor and other information;
 - 4.2.6. to be organised in a manner that avoids conflicts of interests between the Management Company and its clients, between the clients, between collective investment undertakings or their participants that are managed by the Management Company;
 - 4.2.7. to ensure that decisions regarding the management of Fund's assets are taken by qualified and experience personnel with impeccable reputation as determined by the Supervisory Authority;
 - 4.2.8. to have and comply with a description of investment decision-making procedures, including the structure of the investment decision-making body;
 - 4.2.9. to ensure the reliability of administrative and accounting procedures and means of controlling the protection and processing of electronic data, and to ensure that these means and procedures allow accessing information on counterparties, underlying assets, timing and place of all transactions, as well as determine whether funds have been invested in accordance with the provisions of the Documents of the Fund and requirements of legal acts;
 - 4.2.10. to ensure that the data, information and documents relating to investment decisions takes, transaction, transactions executed as well as requests by Investors to purchase or redeem units are retained for at least 10 years from the date of the investment decision, transaction, application or transaction, unless a longer period of time is provided for by the law;
 - 4.2.11. to provide all information necessary for supervision of the Fund and the Management Company as requested by the Supervisory Authority;
 - 4.2.12. to comply with capital, prudential and other operational requirements imposed by the Supervisory Authority;
 - 4.2.13. to execute instructions by the Supervisory Authority;
 - 4.2.14. to abide by all the requirements set out in set out in the Documents and legal acts;
 - 4.2.15. other obligations set out in the Documents, the Investment Agreement and the legal acts.

V. MANAGEMENT OF THE FUND

- 5.1. The assets constituting the Fund shall be managed, used and disposed of by the Management Company under the trust right.
- 5.2. The Fund is not a legal entity and, therefore, does not have the General Meeting of Investors, the Supervisory Board and governing bodies.
- 5.3. The Management Company shall appoint the Fund Manager and/or set up the Investment Committee for the management of the Fund in order to manage the Fund properly. In order to ensure the effective management of potential conflicts of interest, an advisory committee may be established by a decision of the Board of the Management Company.

- 5.4. The Manager and/or the Investment Committee appointed for the Fund shall have the right to decide on the acquisition and disposal of the assets comprising the Fund and their management.
- 5.5. The Manager and/or the Investment Committee appointed for the Fund shall act in the interests of the Fund as a whole and not in the interests of its individual Participants.
- 5.6. The Management Company, notwithstanding the provisions of paragraphs 5.3 - 5.5 of the Rules, shall have the unlimited right, however, in no circumstance the obligation, to implement any and all measures providing for or implementing direct involvement of the Participants in the management of the Fund (e.g. voting on substantive matters related to the operation of the Fund). Such measures chosen by the Management Company shall in all cases have to comply with the requirements of the legislation applicable to the Fund and to the Management Company regarding the notification of the Supervisory Authority, etc. Where the Management Company decides to put the decision to a vote of the Participants, the approval of the Participants shall be deemed to be given if the proposal put forward by the Management Company is not opposed by Participants who, at the date of dispatch of the notice, owned more than 50% of the total number of investment units issued and not redeemed. Participants who fail to object within the time limit set in the notification in accordance with the procedure set out in the notification shall be deemed to have accepted the proposed decision. The process, procedure and deadlines for voting by the Participants shall be determined by the Management Company before the vote on each specific issue. The voting process, procedure and deadlines shall be determined taking into account the reasonable and prudent efforts of the Management Company and/or the Distributor in this respect. The description of the voting procedure established by the Management Company prior to the commencement of the relevant vote shall be made available to the Participants by e-mail or in the investor information system maintained by the Distributor or in another form agreed with the Participants.

VI. CONDITIONS AND PROCEDURES FOR SALE AND REDEMPTION OF INVESTMENT UNITS

Conditions and Procedures for Sale of Investment Units

- 6.1. Fund's NAV and Fund investment unit value is determined once a month for the last day of each calendar month.
- 6.2. The distribution of Fund investment units takes place by concluding with Investors Investment Agreements which are of two types:
 - 6.2.1. *Full Amount Investment Agreements.* When concluding these agreements, the Investor must transfer the funds to the account of the Fund at the set date or within the period indicated in the agreement.
 - 6.2.2. *Investment Commitment agreements.* The Management Company may but is not obliged to conclude agreement of this type with Investors who want to invest in Fund in parts. According to the Investment Commitment agreement, the Investor irrevocably obliges to transfer full or part of the amount indicated in the agreement to the Fund's bank account at the date or period indicated in the Investment request letter issued by the Management Company.
- 6.3. An Investor, who invests at least the minimum amount and wishes to acquire additional Fund units, has to submit an *Investment Application* to the Management Company or Distributor. The

Investment Application is filled out in the cases when the Investor has already concluded an Investment Agreement with the Management Company or Distributor and is submitted in accordance with the Investment Agreement and Prospectus.

- 6.4. Investment Agreement or Investment Application indicates an amount of money which the Investor irrevocably obliges to purchase Fund units for.
- 6.5. Fund units can only be paid for by money.
- 6.6. If the Investor does not transfer funds by the date indicated in the Investment Agreement, Investment Application or Investment request letter, the Investor must transfer the entire amount for which the Fund investment units are purchased within 10 additional calendar days.
- 6.7. If the Investor does not transfer money within 10 additional calendar days, the Management Company has the right to:
 - 6.7.1. terminate the Investment Agreement with the Investor unilaterally; or
 - 6.7.2. modify the Investment Agreement upon the mutual agreement between the Management Company and Investor; or
 - 6.7.3. cancel the Investment Application;
 - 6.7.4. if the Investor has already transferred a part of the minimum invested amount, upon termination of the agreement the Investor shall be subject to a penalty in the equal to this amount, which in the event of a dispute shall be considered the minimum losses of the Fund.
- 6.8. Investment Agreements and Investment Applications to buy units for month X NAV value are accepted until the 26th day of the calendar month X. If that day is a public holiday, the last day for submitting is the following working day.
- 6.9. Before starting the execution procedure of Investment Agreements and Investment Applications, the value of NAV and Fund unit is calculated for month X, agreements and applications are executed and the final monthly NAV is calculated for month X. Month's X NAV value is the Fund's NAV value at the last day of month X.
- 6.10. Investment Agreements and Investment Applications received in accordance with the procedures set out in paragraph 6.8, if payment is made until the 26th calendar day of month X (inclusive), are executed in accordance with the procedures set out in paragraph 6.9.
- 6.11. NAV and the price of Fund units of month X are announced / submitted to the Participants no later than until 10th (tenth) working day (inclusive) of the following month. The Monthly X NAV and value of the investment unit may be published later than the time specified in this paragraph in cases where, due to circumstances beyond the Management Company's control, it is not possible to publish the Monthly X NAV and value of the investment unit by the time specified, but in any event the Monthly X NAV and value of the investment unit shall be published no later than the 20th (twentieth) working day of the following month.
- 6.12. If Investment Agreements/ Investment Applications are received and payment made later than until the 26th calendar day of month X (except if that day is a public holiday) the received Investment Agreements and Investment Applications are included into the NAV of the following month.

- 6.13. The title over the Fund's investment units emerges after converting the invested funds into Fund units and after making a record in the Participant's personal securities account. The record is made not later than in 1 day after the day when the execution NAV of the Investment Agreement or Application is announced.
- 6.14. A record in the Participant's personal securities account is a proof of ownership rights of the Fund units.
- 6.15. If the ownership right of the units is transferred, the record in the Participant's personal account is made no later than the following day after the Management Company receives the documents justifying the fact of transaction.

Conditions and Procedures for Redemption of Fund Units and Settlement of Accounts with Investors

- 6.16. The Fund's investment units shall be redeemed upon the request of a Participant by submitting redemption application (hereinafter – Redemption Application) to the Distributor. In the Redemption Application the Participant indicates the number of Fund units to be redeemed. Together with the Redemption Application the Distributor has to receive a confirmation that the Fund units are his/her personal property, or, if the Fund units are the property of both spouses under the joint ownership right, the Redemption Application has to be signed by both spouses or a basic authorisation in a written form by the spouse has to be submitted as well. The Redemption Application may be submitted to the Distributor directly (personally) or by post, or e-mail (if such option is provided in the Investment agreement and the Participant has been assigned an identification code).
- 6.17. Applications for redeeming Fund units are executed once a calendar quarter according to the NAV of the last month of that quarter, but no earlier than 12 months from the date of acquisition of the Fund units.
- 6.18. The Redemption Application shall be accepted until the 10th calendar day of the first month of the quarter. If that day is a public holiday, the last day for accepting applications is the following working day.
- 6.19. Applications received according to the procedure set out in paragraph 6.18 are executed according to the procedure indicated in paragraph 6.9.
- 6.20. If the Redemption Applications are received after the 10th calendar day of the first month of the quarter (except when that day is a public holiday), they are included into the NAV of the last month of the following quarter and shall be deemed to be submitted for the following calendar quarter.
- 6.21. If it does not harm the interests of other Participants (e.g. Fund has enough free cash flows, therefore it is not necessary to close Fund investment positions), the Management Company has the right (but not an obligation) to execute the application of the Participant which was received after the 10th calendar day of the first month of the quarter for the Fund's NAV at the last month of the corresponding quarter.
- 6.22. The Management Company shall redeem no more than 20% of the total number of the investment units issued by the Fund in accordance with the Redemption Applications received in the relevant quarter. Accordingly, if more than 20% of the total number of investment units issued by the Fund are submitted for redemption, the Management Company will execute

Redemption Applications in proportion to the number of investment units submitted for redemption to ensure that the aggregate amount of the redeemed investment units does not exceed the 20% limit. However, the Management Company may, by unilateral decision, redeem more than 20% of the total number of units issued by the Fund.

- 6.23. The Redemption Applications which have redeemed part of the investment units specified in the Redemption Application, as provided for in paragraph 6.22 of the Rules shall not be cumulative and the Participant shall resubmit Redemption Applications in order to submit the investment units held for redemption in subsequent Redemption Application periods.
- 6.24. Fund units are settled by transferring money to the Participant's bank account which was noted in the Investment Agreement no later than within 5 working days from the announcement day of NAV at which Fund units are being redeemed. The Management Company undertakes to make the transfer within 5 working days but cannot determine when the funds will reach the Investor's account and it is not considered as being late to pay.
- 6.25. The Management Company can suspend the redemption and settlement of accounts in accordance with the procedures set out in Chapter VI of the Rules, if the Fund does not have enough liquid assets to redeem Fund units, as well as when the Fund does not have the possibility to borrow funds with the purpose of redeeming Fund units or in case of other important reasons (adverse conditions in the financial markets, etc.). In case of such circumstances, the Participant will be informed personally by means indicated in the Investment Agreement.
- 6.26. If the Fund does not settle with the Participant within the term indicated due to the fault of the Management Company, the Management Company must pay interest determined in the Civil Code of the Republic of Lithuania for the delayed period upon a written request of the Investor.
- 6.27. At the moment of submitting the Redemption Application the Participant loses all rights granted by the redeemed Fund units, except for the right to receive funds for the redeemed Fund units. At the moment of accepting the Redemption Application the Management Company acquires an obligation to settle the account with the Participant for the redeemed Fund units. At the moment of settling the account for the redeemed Fund units and making specific records in the personal investment units account of the Participant he/she is not considered as a participant of the fund anymore.
- 6.28. The Participant, whose Fund units are kept (accounted for) in an account opened with a financial instruments account agent other than the one specified in the Prospectus, must transfer the Fund units to the personal account opened with the financial instruments account agent appointed by the Management Company before submitting a Redemption Application by way of a tax-free transfer. This provision of the Rules shall apply only in respect of the investment units already acquired and does not apply to the units of the Fund that Investors will acquire in the future.

VII. CONDITIONS AND PROCEDURES FOR SUSPENDING THE REDEMPTION OF FUND UNITS

- 7.1. The right to suspend the redemption of Fund units belongs to the Management Company and the Supervisory Authority.
- 7.2. The redemption can be suspended if:

- 7.2.1. it is necessary in order to protect the interests of the society, and at the same time Participants, from the possible insolvency of the Fund and a fall in the redemption price when there are adverse conditions in the investment instruments market and the value of the investment instrument portfolio has decreased;
 - 7.2.2. the funds are not sufficient to cover for the redeemed Fund units and selling (realising) the current investment instruments would be loss-making or is not possible due to illiquidity;
 - 7.2.3. such sanction is applied by the Supervisory Authority;
 - 7.2.4. Due to other compelling reasons.
- 7.3. Fund unit redemption can be suspended upon the decision of the Management Company for no longer than 60 working days. The Management Company has the right to make a decision to suspend Fund unit redemption more than once a calendar year, i.e. the number of such decisions that can be made throughout the calendar year is not limited.
- 7.4. Since the moment of making the decision to suspend Fund units redemption it is forbidden to accept Redemption Applications and settle redemptions of investment units of the Fund that were called for redemption prior to the adoption of the decision to suspend the redemption.
- 7.5. Participants are immediately informed about the decision to suspend the redemption of Fund units by means indicated in the Investment Agreement.
- 7.6. If a decision to suspend Fund units' redemption was made by the Management Company, the Supervisory Authority is informed of that immediately.
- 7.7. The decision about suspending the redemption of Fund units is announced via mass media.
- 7.8. After making the decision to renew the redemption of Fund units, it will be announced in the same way as the decision to suspend the redemption was announced.
- 7.9. After renewing the redemption, the applications execution of which was suspended are executed.

VIII. PAYMENT PROCEDURES OF FUND'S AVAILABLE CASH

- 8.1. The matter of allocating available cash to the Participants is reviewed by the Management Company in cases when the part of available cash exceeds 20% of the Fund's assets or other, in its opinion essential, circumstances for 6 consecutive months, but it cannot be considered an obligation of the Management Company to make a decision regarding allocating the available cash to the Participants. The Management Company makes a decision regarding the allocation of available cash to the Fund Participants in the case if Fund bank account has enough cash to pay out the amount of available cash determined by the Management Company to Fund Participants and continue Fund activities.
- 8.2. Should the Management Company decide to pay out the available cash to the Participants, the payment is carried out by redeeming the amount of Fund units from Participants in the order as follows:
 - 8.2.1. firstly, the Management Company offers to buy out the Fund units from all Participants that hold investment units to which the term foreseen in paragraph 6.23 is no longer applicable;

- 8.2.2. if, after a redemption provided in paragraph 8.2.1 there remains cash that, in accordance with the paragraph 8.1 provided by the decision of the Management Company, is available for distribution, the Management Company unilaterally redeems Fund units from the Participants who hold Fund units to which the term provided in paragraph 6.23 is no longer applicable and those, who did not declare a request for their Fund units to be bought out under the paragraph 8.2.1;
 - 8.2.3. if, after a redemption provided in paragraph 8.2.2, there still remains cash that, in accordance with the paragraph 8.1 provided by the decision of the Management Company, is available for distribution, the Management Company unilaterally redeems Fund units from all remaining Participants (or all Fund units if the distributable sum is equal to all released and not redeemed Fund units value).
- 8.3. Based on the decision of the Management Company, the amount of available cash allocated to Participants is a Fund's obligation to the Participants. The right of Investors to receive the allocated funds occurs starting from their allocation date. The right to receive the allocated funds belongs to persons who were Participants at the end of the day when the decision to pay a part of available cash to the Participants was made.
 - 8.4. During the allocation of available cash, the amount of Fund units that are redeemed from the Participants is calculated as follows:
 - 8.4.1. the value of Fund unit is determined based on the Fund's NAV at the time of available cash allocation;
 - 8.4.2. the amount of available cash allocated to the participants is divided by the value of Fund unit determined according to paragraph 8.4.1;
 - 8.4.3. the resulting number of Fund units is redeemed proportionally from all, in accordance with paragraph 8.2 Participants who are eligible to receive Fund's available cash (*pro rata*).
 - 8.5. The Management Company within 15 working days after making the decision to pay out a part of Fund's available cash informs each Participant about the amount allocated and the time of allocation. The allocated available cash will be transferred to the account of the Investor, indicated in the Investment Agreement.

IX. EXPENSES

Management Fee

- 9.1. The Management Fee is equal to 2% of the average annual Fund's NAV. The Management Fee for managing the Fund is calculated on the last day of each month by multiplying 1/12 of the Management Fee rate by Fund's NAV on that day and paid out to the Management Company from Fund's assets each month by the 20th (twentieth) day of the calendar of the following month.

Depository service charges

- 9.2. Payment for the services of the Depository shall be made either by invoice to the Management Company of the Depository, or by direct debit by the Depository to the Fund from the Fund's bank account opened with the Depository.

Remuneration to auditors

- 9.3. The cost of the audit services shall be reimbursed on the basis of invoices submitted by the audit firm to the Management Company or directly to the Fund.

Distribution fee

- 9.4. The Distribution fee for the purchase of the investment units of the Fund shall not be included in the NAV of the Fund. The Management Company or the Distributor may charge the Distribution fee of up to 2% of the amount invested.
- 9.5. The exact Distribution fees applicable are set out in the Prospectus.

Other Expenses of the Fund

- 9.6. The Fund may cover the following expenses, if any, that are related to its activities:
- 9.6.1. financial market participant contributions to cover the costs of financial market supervision in relation to the Fund and contributions, fees or charges payable by the Management Company or any other Management Company similar in nature, substance or form to the Fund;
 - 9.6.2. remuneration for the valuation of assets and/or business;
 - 9.6.3. costs of setting up (activity structuring) the Fund;
 - 9.6.4. costs of the Fund's accounting services, the valuation of the Fund's financial instruments, if outsourced to an external service provider;
 - 9.6.5. remuneration for audit and advisory services;
 - 9.6.6. remuneration to consultants for legal services and representation;
 - 9.6.7. litigation and legal proceedings expenses;
 - 9.6.8. other legal costs incurred by the Management Company in defending the interests of Investors and/or the Fund;
 - 9.6.9. fines and penalties (including interest) arising from and/or relating to the obligations of the relevant Fund;
 - 9.6.10. remuneration to financial institutions and financial intermediaries for the services they provide (opening and maintaining accounts, handling cash and securities transactions, executing orders, exchanging currencies, etc.) and the costs associated with such services (commissions and other fees);
 - 9.6.11. expenses incurred by external experts in the interests and for the benefit of the Fund by the decision the Manager and/or the Investment Committee;
 - 9.6.12. state and local taxes and charges related to the Fund;
 - 9.6.13. costs related to the acquisition, management and disposal of investment properties, etc.;
 - 9.6.14. cost of preparing and translating information about the Fund and providing it to the Investors;
 - 9.6.15. exchange rate and interest rate hedging costs;
 - 9.6.16. forced recovery expenses;
 - 9.6.17. consulting expenses to the extent that they are not covered under paragraph 9.6.11 of the Rules;
 - 9.6.18. costs related to obtaining and amending of licences and permits, including for the distribution of the Fund in other Member States, in so far as they are not covered under paragraph 9.6.1 of the Rules;
 - 9.6.19. expenses on notaries and registers;
 - 9.6.20. costs of maintaining the assets belonging to the Fund;
 - 9.6.21. costs related to the development of the Fund's business and/or assets;
 - 9.6.22. the expenses for formalizing, registering and deregistering pledges for securing obligations

- 9.6.23. commissions to intermediaries;
 - 9.6.24. expenses related to loans received in the name of the Fund (for example, interest);
 - 9.6.25. expenses for the insurance of persons responsible for Fund's activities (i.e. insurance against damage and (or) liability);
 - 9.6.26. presentation (representation, advertising, etc.) and marketing costs (including, but not limited to donation costs) of the Fund and its assets;
 - 9.6.27. cost of representations and warranties insurance of the Fund and/or the Management Company in relation to the Fund;
- 9.7. Expenses listed in paragraph 9.6 are calculated the following working day after receiving a document justifying the expenses (e.g. invoice) and settled in accordance with the procedures set out in agreements or other documents.
- 9.8. If the Management Company incurs operating expenses incurred by the Fund, the Fund must reimburse the Management Company for such expenses (incurred for the benefit of the Fund).

X. PROCEDURE FOR PUBLISHING FUND INFORMATION

- 10.1. The financial statements of the Fund are drawn up in EUR.
- 10.2. The Management Company shall submit all periodic reports and/or other notifications required by law to the Supervisory Authority, the Investors and the public in accordance with the procedures and within the deadlines established by law. Information shall be provided directly to the Investors by electronic (e-mail or in other agreed form) or other means agreed with the Investor.
- 10.3. The Management Company's annual accounts shall be published on the website www.invl.com within the time and scope prescribed by law.
- 10.4. The audited fiscal year activity reports of the Fund and the Management Company can be obtained by Investors or persons intending to become investors by contacting the Distributor and/or the Management Company using the contact details specified in the Investment Agreement.

XI. PROCEDURE FOR ASSET VALUATION, FUND UNIT VALUE ESTIMATION AND PUBLICATION

- 11.1. Fund's NAV is determined at least once a month for the last day of each calendar month. In all the cases it must be determined at the end of the financial year.
- 11.2. Fund's NAV and the value of Fund unit are calculated and published / submitted to the Participants no later than until the 10th (tenth) working day (inclusive) of the following month. Fund's NAV and the value of Fund might be calculated and published later than specified in this paragraph in cases where, due to circumstances beyond the Management Company's control, it is not possible to calculate and publish the Fund's NAV and value of the investment unit by the time specified, but in any event the Monthly X NAV and value of the investment unit shall be published no later than the 20th (twentieth) working day of the following month.
- 11.3. The value of the Fund units is determined by dividing NAV by the number of all Fund units in circulation. The value of Fund unit (its parts) is determined to four decimal places and rounded according to the mathematical rounding rules.

- 11.4. The difference between the values of the Fund's assets and liabilities represents the value of net asset value.
- 11.5. The Fund's assets and liabilities shall be measured at fair value unless they cannot be measured reliably. The value of assets and liabilities shall be determined in accordance with Business Accounting Standards and the Management Company's Statement of Procedures for Calculating the Net Asset Value.
- 11.6. The currency in which the Fund's NAV is calculated is EUR.

XII. PROCEDURE FOR SETTING THE PRICE FOR FUND UNITS SALE AND REDEMPTION

Sale Price

- 12.1. At the beginning of Fund's operations, i.e., before the estimation of the first NAV, the Fund unit is priced at EUR 100. In the following periods Fund units are sold for a price, dependent on the Fund's NAV at the last day of the calendar month.
- 12.2. Fund unit Sale Price can be supplemented with a Distribution Fee.

Redemption Price

- 12.3. Fund unit Redemption Price is equal to the Fund unit value, based on the NAV of the last calendar day of the last month of the corresponding calendar quarter. Fund units are redeemed without applying additional charges.

Publication of the Sale and Redemption Prices

- 12.4. Fund unit price is estimated once a month for the last day of each calendar month after determining Fund's NAV. Fund's NAV and the value of Fund unit are calculated and published / submitted no later than until the 10th (tenth) working day of the following month on the website of the Management Company (inclusive). The Fund's NAV and value of the investment unit may be published later than the time specified in this paragraph in cases where, due to circumstances beyond the Management Company's control, it is not possible to publish the Monthly X NAV and value of the investment unit by the time specified, but in any event the NAV and value of the investment unit shall be published no later than the 20th (twentieth) working day of the following month.

XIII. BASIS AND PROCEDURE FOR FUND LIQUIDATION

- 13.1. The Fund may be liquidated:
 - 13.1.1. upon the decision of the Management Company; or
 - 13.1.2. upon the decision of the Supervisory Authority; or
 - 13.1.3. on other grounds consistent with the law.
- 13.2. When the Management Company makes a decision to liquidate the Fund, the redemption and distribution of Fund units, if in process, is terminated. The terms and procedures for asset realisation, settlement of accounts with the creditors and the proportional distribution of the

remaining assets to the Participants are stipulated in Management Company's decision to liquidate the Fund.

- 13.3. Participants are informed about the decision to liquidate the Fund via e-mail or other means indicated in the Investment Agreement no later than within 3 working days after the decision is made. The participants and creditors of the liquidated Fund are provided with sufficient and precise information about the reasons for liquidating the Fund, the procedures for settlement of accounts with the creditors and the proportional distribution of the remaining assets to the participants.
- 13.4. At the day of proportional distribution of Fund's assets to the Participants all the Fund units that belong to the Participants are redeemed after the Fund fully settles accounts with its creditors.
- 13.5. The Fund liquidation day is considered to be the day when the Supervisory Authority declares the Fund Rules to be invalidated.
- 13.6. Participants will be informed via e-mail or other means indicated in the Investment Agreement no later than within 3 working days after the appropriate decision is made about the exact Fund liquidation day and the day that will be used as the basis for calculating the price of the Fund units as well as the date of the redemption of Fund units will take place.
- 13.7. In case claims regarding obligations that must be settled on the Fund's account are being examined in court, the Fund can be liquidated only after court decisions in respective cases come into force.
- 13.8. In the case of Fund liquidation, Fund's assets will be realised by selling them to investors that are not related to the Management Company.
- 13.9. The Fund will be liquidated when accounts will be settled with Fund creditors and the remaining Fund's assets will be distributed proportionally to the Participants, except in the case set out in paragraph 13.7.

XIV. PROCEDURE FOR AMENDING THE FUND DOCUMENTS

- 14.1. The Rules shall be amended by decision of the Management Company. The Management Company may, by way of a material amendment to the Rules, implement measures allowing direct Participant involvement in the management of the Fund as outlined in paragraph 5.6 of the Rules.
- 14.2. Material amendments shall mean amendments to the Rules that would materially and substantially increase the investment risk of the Fund, impose essentially new and material additional obligations on the Participants, essentially reduce the obligations of the Management Company and/or otherwise materially adversely affect the interests of the Participants and their decision to remain Participants.
- 14.3. In the cases provided for by law, amendments to the Rules shall be made after the relevant information has been submitted to the Supervisory Authority, and if the Supervisory Authority has not identified any circumstances which prevent such amendments from being made.
- 14.4. Amendments to the Documents shall take effect from the date of the Management Company Board's decision to approve the amended Documents (unless such decision specifies a later

date). The amended Documents shall be sent individually to all the Participants to the e-mail address specified in the Agreements.

XV. TERMS AND PROCEDURES FOR REPLACING THE MANAGEMENT COMPANY, DEPOSITORY

- 15.1. Management of the Fund can be delegated to another Management Company, when:
 - 15.1.1. the Management Company is liquidated;
 - 15.1.2. the Management Company is reorganised;
 - 15.1.3. the Management Company is under the bankruptcy procedure;
 - 15.1.4. the Supervisory Authority makes a decision to limit or revoke the fund management rights licensed to the Management Company;
 - 15.1.5. the Management Company for any objective reason cannot continue to manage the Fund properly and effectively and the Management Company makes a decision to delegate the management of the Fund to another Management Company.

- 15.2. The Depository can be replaced by the decision of the Management Company:
 - 15.2.1. the Depository fails to perform or does not properly perform its obligations under the contract concluded therewith;
 - 15.2.2. if the Depository fails to comply with the requirements of the legal acts;
 - 15.2.3. by mutual agreement between the Depository and the Management Company;
 - 15.2.4. by order of the Supervisory Authority;
 - 15.2.5. the Management Company seeks to reduce the costs of the Depository service;
 - 15.2.6. the Depository's right to provide the custodian service is revoked;
 - 15.2.7. other significant causes manifest.

- 15.3. When replacing the Depository, the Management Company terminates the agreement with the Depository and concludes an agreement with another person, who has the right to provide depository service. The Depository shall be deemed to have been replaced from the moment when another entity entitled to provide depository services takes over the rights and obligations of the depository and all the assets of the Fund are transferred to that entity for safekeeping.

- 15.4. The replacement of the Management Company shall be announced on the website at www.invl.com. The Participants shall be informed about replacement of the Depository by e-mail.