

**INVESTMENT COMPANY WITH VARIABLE CAPITAL OMX BALTIC BENCHMARK FUND**

**ARTICLES OF ASSOCIATION**

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## A. TERMS AND DEFINITIONS

1. Terms and definitions used in these Articles of Association shall have the following meaning:

<b>1.1. Law on Companies</b>	Republic of Lithuania Law on Companies.
<b>1.2. Company</b>	Investment company with variable capital OMX Baltic Benchmark Fund is a harmonised collective investment undertaking.
<b>1.3. NAV</b>	Net asset value.
<b>1.4. Articles of Association</b>	This incorporation document of the Company.
<b>1.5. Investor</b>	Company participant or potential participant.
<b>1.6. Shareholder</b>	Company participant.
<b>1.7. Law on Collective Investment Undertakings</b>	Republic of Lithuania Law on Collective Investment Undertakings.
<b>1.8. Supervisory Body</b>	Bank of Lithuania Address: Gedimino pr. 6, 01103 Vilnius, Republic of Lithuania
<b>1.9. Management Company</b>	<p>An undertaking holding a license issued by the supervisory body enabling it to manage collective investment subjects, to which management of the Company's assets is transferred, which the company manages under trust law and under an asset management contract signed between the Company and the Management Company.</p> <p>Details of the Management Company:</p> <p>Orion Asset Management Private Limited Liability Company</p> <p>License No. VJK-011, issued on 2006 04 21 on the decision of the Securities Commission, No. 97.</p> <p>The licence was supplemented in 2010 by granting the right to manage collective investment undertakings in real estate and in 2014, by granting the right to manage collective investment undertakings for informed investors.</p> <p>Address: Antano Tumėno g. 4, B korpusas, 01109 Vilnius, Republic of Lithuania</p> <p>Telephone: +370 5 203 2699</p>

<b>1.10. GMS</b>	General Meeting of shareholders.
<b>1.11. Depository</b>	<p>Bank where the investment Company's Funds and other financial assets are held, ensuring that the Company's NAV would be calculated by following the requirements established in the Articles of Association, as well as carrying out other functions provided by the Law on Collective Investment Undertakings.</p> <p>AB SEB bank is the depository of the Company.</p> <p>Address: Gedimino pr. 12, 01103 Vilnius, Republic of Lithuania</p> <p>Telephone: +370 5 268 2800</p>

## **B. GENERAL INFORMATION**

2. Investment company with variable capital OMX Baltic Benchmark Fund is a harmonised collective investment undertaking.
3. The Company is established for an indefinite period of time and operates in accordance with the Law on Collective Investment Undertakings. To the extent provided by the Law on Collective Investment Undertakings, the Company also acts under the Law on Companies, the Law on Financial Institutions of the Republic of Lithuania and other laws, secondary legislation adopted by the Supervisory Body, these Articles of Association and the Company's internal documents.
4. The Company is a private legal entity of limited civil liability with economic – commercial, financial and organisational independence. According to its obligations, the Company shall be liable to the extent of its assets. The Shareholders shall be liable for the obligations of the Company only to the extent to which they must pay for their acquired shares.
5. The Company's financial year shall be the calendar year.
6. The Company's registered office is situated in the Republic of Lithuania.

## **C. TYPE OF ACTIVITY OF THE FUND**

7. The Company is a securities market participant.
8. The Company carries out the investment of monetary Funds collected through public share distribution.
9. The Company operates as an investment company with variable capital under the procedures established by legal acts.
10. The Company carries out licensed or otherwise limited activities only after receiving appropriate authorisations and/or licenses from the Supervisory Body and/or other authorised institutions.

#### **D. RIGHTS AND OBLIGATIONS OF THE COMPANY**

11. When carrying out its commercial/economic activities, the Company shall have the rights and obligations established by the laws, other legal acts and these Articles of Association.
12. The Company must:
  - 12.1. transfer the management of its assets to the Management Company;
  - 12.2. transfer its monetary Funds and securities to be stored by one Depository;
  - 12.3. Upon the request of the Shareholders, redeem the Company's shares according to the procedures established in the legal acts and these Articles of Association, by paying for them a proportional part of its NAV;
  - 12.4. publish NAV and the sale and redemption prices of shares every time they are issued or redeemed, but no less than at the frequency established by the effective legal acts.
13. The Company's shares can be sold in AB NASDAQ Vilnius securities market (secondary market) by giving orders to public trading intermediaries to acquire or sell the Company's shares.
14. Once the issue of the Company's shares has been registered with the entity operating as a central securities depository, the Company's shares may be accounted for with any account manager.
15. The Company can conclude contracts, and have other civil rights and obligations if they do not conflict with the effective legal acts and these Articles of Association.

#### **E. OPERATIONAL GOALS OF THE FUND**

16. The main goal of the Company's investment activities is to replicate the composition of the OMX Baltic Benchmark GI Index as accurately as possible by investing and reinvesting monetary Funds received from the distribution of the Company's redeemable shares, by following the liquidity and investment portfolio diversification requirements.
17. The Company invests into instruments comprising the OMX Baltic Benchmark GI (hereinafter referred to as the Index) share index. The index is calculated by Nasdaq, Inc. and the intellectual property rights to the Index belong to Nasdaq, Inc. The Company's investment portfolio is formed by following the index, i.e. to the extent possible, investment is made in all securities forming the Index in proportion in which they are included in the index. The index is comprised of the shares of the largest free float capitalisation Lithuanian, Latvian and Estonian companies whose shares are listed in AB Nasdaq Vilnius market (hereinafter referred to as Market). The index is capitalised, i.e. the largest free float capitalisation companies have the largest weight in the index.
18. Index formation procedures, calculation method and composition are published on the AB Nasdaq Vilnius website <http://www.nasdaqbaltic.com/lt/>.
19. The composition of the Index changes with the changing capitalisation of companies listed in the Exchange, the changing composition of shareholders, or when new shares are included in trading lists or old shares are excluded from the Exchange lists, or when changes occur due to other

reasons. When Index composition changes, the Company's investment portfolio is adjusted accordingly. The Index is re-formed once every six months.

20. Company investments are in no way restricted by a specialisation in a certain industry.
21. Requirements set forth in paragraph 17 hereof may not be followed only when a Separate motivated decision is made by the company's Management Company, and only when this is necessary to protect the interests of Shareholders when there is a possible risk of significant fall in the price and liquidity decrease of shares in which investments were made by the Company, or there is reason to believe that other events will happen which will result in significant losses suffered by the Shareholders. Failure to comply with the requirements set forth in paragraph 17 hereof cannot last longer than 6 months. The Management Company must aim to ensure that this period would be as short as possible. At the period during which requirements provided for in paragraph 17 hereof are not followed, the Company invests in the shares of the official list and government bonds, or stores its monetary Funds in the Company's account. The Company's investment portfolio may not meet the requirements provided for in paragraph 17 hereof due to reasons beyond the control of the Company. The Management Company must take economically based actions in order for the Company's investment portfolio to comply with the requirements provided for in paragraph 17 hereof and eliminate discrepancies as fast as possible, but not later than within 6 months.
22. The Company and the Management Company must follow the investment rules established by the legal acts, and investment portfolio diversification requirements.
23. In order to ensure the smooth performance of operations related to the Company's share redemption, up to 10 % of the Company's assets may not be invested and may be stored as monetary Funds in the Company's account.
24. The Company's assets may consist of only:
  - 24.1. money and money market instruments;
  - 24.2. securities.
25. The Company has a benchmark index – OMX Baltic Benchmark GI index. You can learn about the Index formation procedures at the Company's registered office and on the Management Company's website at [www.am.orion.lt](http://www.am.orion.lt) (hereinafter the Website) or on AB Nasdaq Vilnius site <http://www.nasdaqbaltic.com/lt/>.

#### **F. CAPITAL OF THE FUND**

26. The Company's shares do not have a nominal value, and their value varies depending on the Company's NAV.
27. The Company's NAV cannot be less than 600 000 EUR.
28. The Company does not have an authorised capital.
29. The Company's redeemable shares are distributed for an indefinite period, and their issue size is not limited.

30. When issuing or redeeming the Company's shares, the Company's own capital increase/decrease is not indicated in the Company's Articles of Association and amendments of the Articles of Association are not registered in the company register.

#### **G. RIGHTS GRANTED BY THE COMPANY'S SHARES**

31. The Company's shares are ordinary registered non-material redeemable shares, granting equal rights to their owners (Shareholders ). The proof of ownership of shares are records in personal securities (shares) accounts.

32. The Company's shares grant the Shareholders the following property rights:

32.1. to sell their shares to the Company at a redemption price published for the sale day;

32.2. to bequeath all or part of its shares to one or several persons;

32.3. to sell or otherwise transfer all or part of the shares to the ownership of other persons;

32.4. to receive an appropriate part of the Company's assets in proportion to the number of shares, when the Company is liquidated;

32.5. other property rights provided for by the laws and by the Articles of Association of the Company.

33. The Company's shares grant Shareholders the following personal non-property rights:

33.1. to participate in GMS with a deciding vote. Each fully paid ordinary registered share grants the Shareholder the right of one vote in GMS;

33.2. to receive information about the Company's commercial/economic activities;

33.3. to appeal to court against the resolutions of the GMS, the supervisory board and the Management Company;

33.4. other non-property rights set forth in the laws and the Articles of Association of the Company.

34. The Company's Shareholders shall have no priority right to acquire newly issued shares.

#### **H. PROCEDURES FOR THE DISTRIBUTION AND REDEMPTION OF COMPANY'S SHARES, AND PAYMENT FOR THE REDEEMED SHARES**

35. The Investor shall submit an order to buy (redeem) the Company's shares in a form established by the Company to the Management Company or a person authorised by the Management Company (distributor). The order to buy the Company's shares must specify the amount of money for which the Investor intends to acquire the shares of the Company. The purchasing application shall not include the number of acquired Company's shares. The redemption application shall include the number of the Company's shares which the Company must redeem from the Shareholder.

36. An application for purchase (redemption) of the Company's shares must be submitted (sent) to the person (Investor) immediately, confirming that the application in question has been accepted or refused, it must also be confirmed that the data provided to the applicant is clear and accurate. When confirming the receipt of the application for the purchase (redemption) of the Company's shares, the person who received it must indicate his name, surname, the name and address of the company in which the application was received, the application receipt date, exact time (hours, minutes) and provide his signature. If the Investor notices discrepancies (contradictions) in the confirmation received with the information in his application, he must return the acknowledgement received, indicating the discrepancies, without delay, but no later than on the date of receipt of the confirmation, to the person who accepted the application in question.
37. If the Investor has submitted the application to purchase the Company's shares and transferred the amount of money indicated in the application to the Company's account before 16.00 Lithuanian time (day X), he acquires the Company's shares by paying for them the sale price of the Company's shares on day X. Agreements with institutional investors, as well as distributors/sub-distributors (in this case this provision applies to all Investors who acquire shares through a distributor/sub-distributor) may provide that the sale price of shares published on day X shall also be paid by Investors who submitted their application to purchase the Company shares until 16:00 (4 p.m.), by also providing proof verifying the payment for the acquired Company shares until 16:00 (4 p.m.). In this case, the amount of money for the acquired Company's shares may not be credited to the Company's account during application submission, however the finances for the acquired Company's shares must be credited to the Company's bank account no later than until 24:00 of day X. Until the amount of money for the acquired shares is credited to the Company's account, the Management Company shall have the right to request the Investor or distributor (sub-distributor) to provide additional proof verifying the payment for the acquired Company's shares. If the Management Company decides that the Investor or distributor (sub-distributor) did not provide sufficient proof verifying the payment for the acquired Company's shares, then it shall be deemed that the Investor did not pay fully for the Company's shares and the purchase-sale transaction was not carried out. If there are any concerns regarding late trading, then the Management Company shall reserve the right to not carry out the purchase/sale transactions of the shares. In all other cases, if the amount of money indicated in the application is credited to the Company's account after 16:00 Lithuanian time (day X), he acquires the Company's shares by paying for them the sale price of the Company's shares on day X+1.
38. If the Shareholder submitted the application to redeem the Company's shares before 16.00 Lithuanian time (day X), the Company redeems the shares by paying the redemption price of the Company's shares on day X.
39. If the Shareholder submitted the application to redeem the Company's shares after 16.00 Lithuanian time (day X), the Company redeems the shares by paying the redemption price of the Company's shares on day X+1.
40. The Investor shall acquire the shares by signing the agreement with the Company in a simple written form on the basis whereof the applications will be later submitted.
41. The agreement between the Investor and the Company obligates the Company to present the shares and the Investor to pay the entire amount of the subscribed shares as provided by existing legislation, these Articles of Association and contractual procedures.
42. If the Investor has not paid in full for the shares of the Company, it shall be considered that the share purchase and sale transaction has not occurred.



43. Ownership of shares is acquired after a record is made in the personal securities (shares) account. A record is made in the personal securities (shares) account no later than within 1 business day after money is received in the Company's account.
44. The Company's shares are not sold in instalments and their payment deadline cannot be postponed.
45. Payment for the shares must be made in monetary contributions in euro (EUR) or other equivalent currency. When payment for the shares is provided in a currency other than the euro (EUR), the Company shall exchange (convert) the money paid by the Investor in a currency other than the euro (EUR) at the exchange rate of the bank where the Company is keeping its account. All other costs related to currency exchange (conversion) to the euro (EUR) and monetary contribution transfer to the Company's account shall be paid (covered) by the Investor . It is prohibited to use assets as payment for the shares of the Company.
46. The Company's assets are sold indefinitely.
47. The number of Company's shares sold to Investors (share issue size) is unlimited.
48. The Management Company shall be responsible for the distribution and redemption of Company's shares. The Company may conclude contracts on share distribution and redemption with authorised third parties (distributors).
49. The Company's shares can be distributed and redeemed by a legal entity with whom the Company signed an appropriate contract (distributor).
50. Sub-distributors of the Company's shares can be persons with whom the Company or its authorised person (distributor) have signed contracts on the sub-distribution of the Company's shares, with the approval of the Company. If the contract is concluded by an authorised representative (distributor), he shall be responsible for the actions (inaction) of the sub-distributor (sub-distributors).
51. Upon the request of the Shareholder, the Company must redeem the Company's shares from the shareholder according to the procedure described in paragraphs 52-56 of this section.
52. If the Shareholder wants his shares to be redeemed by the Company, he must submit an application to redeem shares to the Management Company or person authorised by the Company.
53. Before submitting an application to the Management Company regarding the redemption of the Company's shares acquired in the Exchange (secondary market), it is necessary to transfer the Company's shares as a non-tax transfer to the Company's authorised person (manager of the Company's securities accounts). The order to transfer the Company's shares must be submitted to a public trading intermediary who registers the Company's shares acquired in the Exchange.
54. A transaction on the redemption of the Company's shares shall be considered to be concluded from the moment the Shareholder receives a confirmation that his application for the redemption of shares has been received.
55. From the moment of the redemption transaction, the Shareholder loses all rights carried by the Company shares, excluding the rights arising from the conclusion of the redemption transaction.

56. The Company must pay for the redeemed shares no later than within seven days from receipt of the request to redeem shares. The Shareholder shall be paid in euro (EUR) for the redeemed Company's shares. Under a separate agreement made between the Company and the Shareholder, the Shareholder can be paid in another currency for the redeemed Company's shares, at an exchange rate of the bank where the Company has its account. All euro (EUR) exchange (conversion) costs shall be borne by the Shareholder.
57. Only the Management Company or persons authorised by the Management Company or the Company shall have the right to sell (distribute) and redeem the Company's shares.
58. Share sale and redemption is carried out according to the effective legal acts, these Articles of Association and contracts.
59. Provisions of the Law on Companies regulating the subscription and payment of shares of companies shall not be applied to the shares. The issuance of shares shall not be registered in the Supervisory Body.

**I. PROCEDURES FOR THE PURCHASE – SALE OF THE COMPANY'S SHARES IN THE SECONDARY MARKET**

60. The Company's shares can be purchased and sold in the Exchange (secondary market) according to the procedures prescribed by the legal acts regulating the activities of this Exchange.
61. Orders to purchase the Company's shares in the secondary market can be submitted to any public trading intermediary. Before making an order to purchase the Company's shares, the money necessary to purchase the shares must be transferred to the account of the public trading intermediary.
62. Orders to sell the Company's shares in the secondary market can be submitted to any public trading intermediary. Before making an order to sell the Company's shares, the Company's shares must be transferred to the securities account of the public trading intermediary.
63. The Company's shares sold on the Exchange (secondary market) are paid for in accordance with the procedure established by the Exchange.

**J. BASIS AND PROCEDURES FOR SUSPENDING COMPANY SHARE DISTRIBUTION, REDEMPTION AND TRADE IN THE SECONDARY MARKET**

64. The Company's Management Company and the Supervisory Body shall have the right to suspend the redemption of shares.
65. Share redemption may be suspended for no longer than 3 months per year.
66. Redemption may be suspended if:
  - 66.1. this is necessary in order to protect the interests of the public and, simultaneously, the Shareholders, from possible insolvency of the Company or decrease in the redemption price in the event of an unfavourable situation in the market or in the event of a decrease in the Company's investment portfolio value;

- 66.2. the amount paid for the redemption of shares is insufficient and the sale of the existing securities would be detrimental;
- 66.3. when dividing or consolidating the Company's shares, their distribution, redemption, purchase or sale price is changed;
- 66.4. such a sanction is applied by the Supervisory Body according to the procedures prescribed by legal acts.
67. From the moment a decision is made to suspend the redemption of shares, it is prohibited to:
- 67.1. accept redemption applications;
- 67.2. pay for the shares the redemption whereof was requested until a decision has been made to suspend the redemption.
68. Persons through which redemption is carried out, as well as the Supervisory Body must be immediately informed about the suspension of redemption. If shares are distributed in foreign countries, then foreign supervisory authorities must be informed, and information on this matter must be published via the media. In Lithuania – in the daily *Verslo žinios*.
69. If the decision to suspend the redemption of shares was made by the Supervisory Body, then only the Supervisory Body or the court overruling such a decision shall have the right to resume the redemption of shares.
70. In all other cases, the Management Company shall have the right to resume the redemption of shares.
71. Information on the decision to resume the redemption of shares must be provided under the same procedures as the suspension of redemption.
72. The Company's share distribution may be suspended for no longer than 7 days when the distribution, redemption, purchase and sale price of the Company's shares is changed during the division or consolidation of the Company's shares.
73. The trade in the Company's shares (purchase and redemption) may be suspended in the Exchange, when the distribution, redemption, purchase and sale price of the Company's shares is changed during the division or consolidation of the Company's shares, as well as in other cases set forth in the legal acts.

## **K. MANAGEMENT OF THE COMPANY**

74. The bodies of the company are the GMS and the supervisory board.
75. The rights and obligations of the Board and the Head of the Company established by the Law on Companies are transferred to the Management Company, which it assumes and executes in accordance with the competence of its respective governing bodies, unless otherwise provided for by laws or these Articles of Association. The distribution of rights and obligations indicated in these Articles of Association cannot conflict with the laws and other legal acts. According to the procedures

prescribed by legal acts, the Management Company shall have the right to transfer part of its management functions to another person who has the right to provide appropriate services.

76. The Company's asset management is transferred to the Management Company which shall manage the assets under the trust law according to an asset management contract signed between the Company and the Management Company.
77. Activities of the Management Company are controlled by the Company's supervisory board elected by the Company's GMS.

#### **L. COMPANY'S GENERAL MEETING COMPETENCE, CONVENING AND VOTING PROCEDURES**

78. The persons who were the shareholders at the end of the Company's GMS accounting day are entitled to attend and vote in the Company's GMS.
79. The GMS accounting day is the fifth business day before the Company's GMS.
80. Decisions of the GMS are adopted by a simple majority vote (more votes of Shareholders for than against are received), except where the applicable legislation or these Articles of Association require a larger majority.
81. Only the Company's GMS shall have the right to:
  - 81.1. to amend and supplement the Company's Articles of Association (except in the cases provided by law). The decision to amend or supplement the Articles of Association shall take effect only with the prior authorisation of the Supervisory Authority;
  - 81.2. elect and revoke an auditor and establish payment terms and conditions for audit services;
  - 81.3. elect and revoke members of the supervisory board;
  - 81.4. approve the Management Company, change the Management Company and/or approve a new management company;
  - 81.5. to approve the management contract with the Management Company and/or amendments to the management contract, to authorise a person to sign an approved management contract with the Management Company on behalf of the Company. Such decisions must be adopted by at least 2/3 of the majority vote of Shareholders held by the attendees of the GMS. The adoption of such decisions can be transferred by the GMS to the Company's supervisory board for a period not exceeding 3 years if the Articles of Association provide for the largest size of remuneration the Management Company. The Supervisory Board shall have the right to adopt these resolutions at the majority of 2/3 of all the board member votes;
  - 81.6. approve the Depository, change the Depository and/or approve a new depository. If the Depository fails to follow the regulatory requirements, fails to fulfil its obligations in part or in full, then, in order to ensure the rights of the Shareholders, the Supervisory Body shall have the right to order the Company to terminate the contract and to change the Depository;
  - 81.7. approve the contract with the Depository and/or amendments of this contract. Such decisions must be adopted by at least 2/3 of the majority vote of Shareholders held by the attendees of

the GMS. The adoption of such resolutions can be transferred to the Company's supervisory board for a period not exceeding 3 years if the Articles of Association provide for the largest size of remuneration the Management Company. The Supervisory Board shall have the right to adopt these resolutions at the majority of 2/3 of all the board member votes;

81.8. approve the set of annual financial statements;

81.9. to adopt a resolution to liquidate the Company;

81.10. to address other issues which are attributed by the Law on Collective Investment Undertakings, the Law on Companies, other applicable legislation or these Articles of Association to the competence of GMS.

82. GMS shall be organised by the Management Company.

83. The Management Company, the Supervisory Board and shareholders the value whereof which is not less than 10% of the value of the net assets of the Company have the right to initiate the convening of the GMS. Net asset value is calculated on each business day and published no later than until 12:00 of the next business day. It should be noted that the value of the Company's share is equal to the NAV divided by the total number of issued and unredeemed shares of the Company. The Management Company must convene ordinary GMS annually, within 4 months after the end of the financial year.
84. Authorised representatives of the Management Company have the right to participate in the Company's GMS with the right of advisory vote.
85. Extraordinary GMS must be convened if:
  - 85.1. the Company is going to be liquidated;
  - 85.2. The Company is announced or announces itself as unable to carry out its financial obligations;
  - 85.3. The Company's supervisory board resigns or less than three members of the supervisory board remain;
  - 85.4. The auditor or audit firm terminates the contract or for other reasons is unable to inspect the Company's set of annual financial statements;
  - 85.5. This is required by the Shareholders with the right of initiative, the Management Company or the Supervisory Board;
  - 85.6. in other cases provided by law and these Articles of Association.
86. The notice of the GMS convened shall be published in accordance with the procedure established by laws in an electronic publication issued by the manager of the Register of Legal Entities for the public notices or sent to each Shareholder by a registered letter. Information on the GMS convened is also published in accordance with the procedure laid down by the legislation governing the operation of the Exchange.
87. The notification of the GMS must contain all the information required by law, as well as the entity or body that decided to convene the GMS and the initiators of the extraordinary GMS.
88. The Shareholders must be given the opportunity to read the documents related to the agenda of the GMS prior to the meeting and within the time period specified by the law.
89. The Company's GMS can adopt decisions regardless of the number of votes held by shares of the participating Shareholders.
90. GMS shall not have the right to cancel the Management Company's decisions regarding Company's asset management or adopt decisions regarding asset management which would be mandatory for the Management Company. The aforesaid decisions shall be valid to the extent that this does not violate GMS competence set forth by the Law on Companies.
91. GMS decisions can be declared invalid by judicial procedure, by following the procedures established in the laws.

**M. COMPETENCE OF THE COMPANY'S SUPERVISORY BOARD. PROCEDURES FOR CHANGING THE MANAGEMENT COMPANY AND THE DEPOSITORY**

92. The Company's supervisory board is a collegial body carrying out the supervision of the Company's activities, comprised of 3 (three) persons elected for a period of 4 (four) years.
93. The Company's supervisory board shall have the following authorisations:
- 93.1. selects the management company and submits proposals to the GMS for its approval, submits proposals to the GMS to approve the management contract with the management company;
  - 93.2. selects the Company's depository and submits proposals to the GMS for its approval, submits the contract with the depository for the approval of the Management Company;
  - 93.3. to analyse the activities of the Management Company, Depository and the share distributor, the use of financial resources, the Company's asset management, accounting and share distribution organisation, payment for services and the prospect of the financial condition;
  - 93.4. submits proposals and feedback to the GMS on the Company's set of annual financial statements;
  - 93.5. to represent the Company when handling disputes between the Company, its Management Company, Depository, share distributor and other persons;
  - 93.6. represents the Company and authorises other persons to represent the Company in court, and arbitration;
  - 93.7. to provide proposals to the Management Company, Depository and share distributor to withdraw their decisions that conflict with the effective legal acts, Articles of Association and resolutions of GMS;
  - 93.8. to adopt other decisions provided in the legal acts and these Articles of Association.
94. Contracts for activities within the supervisory board shall be concluded with the members of the supervisory board, which shall provide for their rights, duties and responsibilities. The terms and conditions of such contracts shall be determined by the GMS in accordance with the requirements established by legal acts and good corporate governance practices. For activities on the Supervisory Board, remuneration may be determined and paid to its members by the decision of the GMS.
95. The Supervisory Board shall hold meetings when necessary, but no less often than provided by the effective legal acts. Its regular meetings shall be convened by the chairman of the Supervisory Board or, in his absence, by the vice chairman at the scheduled time.
96. Extraordinary meetings are convened at the request of at least one-third of members of the supervisory board, the Management Company or the auditor.
97. Procedures for the convening of meetings of the supervisory board, voting within them and other operational matters are regulated by the rules of procedure of the supervisory board.

**N. COMPANY ACCOUNTING AND AUDIT**

98. The Management Company shall manage the financial records of the Company according to the

effective legal acts. The Management Company can transfer the management of financial records of the Company to a third party. The Company's financial records shall be managed according to the Law on Accounting of the Republic of Lithuania, Business Accounting Standards of the Republic of Lithuania, and other legal acts.

99. The Company's financial statements shall be inspected by an auditor (audit firm) which is selected by the GMS for a period of 1 year.
100. Audit is carried out according to the legal acts regulating audits and the work of auditors, and according to the conditions of the contract signed between the Company and the auditor.
101. According to the procedures established by law, the auditor must inspect the Company's financial reports and other Company's documents whose inspection is required by the effective legal acts.
102. The Company's Management Company, Depository and share distributor must provide the auditor with the requested financial accounting documents.
103. Auditor payment conditions are established by GMS.
104. The auditor must protect the Company's secrets which become known to the auditor while controlling the activities of the Company, Management Company and Depository.
105. According to the procedures established by law, the Company's auditor shall be liable for inappropriate control of the Company's activities and for hiding any operational discrepancies.

#### **O. PROCEDURE FOR DISBURSEMENT OF COMPANY'S INCOME**

106. The Company receives income by collectively investing its assets according to the procedures established by legal acts and these Articles of Association.
107. Dividends (payments in cash) are not paid to Shareholders. All dividends received by the Company from other companies are credited as the Company's income and increase the value of the shares owned by Shareholders.

#### **P. COMPANY NET ASSET CALCULATION AND RULES FOR DETERMINING THE PRICE OF SHARES**

108. Company NAV is calculated on each business day according to the following procedures:
  - 108.1. applications to purchase (redeem) shares are accepted according to the established procedures until 16:00 in Lithuanian time of X business day (application submission day);
  - 108.2. the applicant shall immediately be provided/sent with a confirmation that the application in question has been accepted for execution or refused to be executed, and that the particulars submitted are clear and accurate to the person accepting the application;
  - 108.3. if applications are submitted and applications to purchase shares are paid after 16:00 Lithuanian time, they will not be taken into account when calculating the NAV of the business day X. They shall be evaluated when calculating the NAV of another (X+1) business day;



- 108.4. after the deadline for acceptance of the applications on day X, the NAV on the day X is calculated on the next business day and the value of the Company's share is calculated on the basis of it;
- 108.5. after the calculation of the Company share value, applications received after 16:00 of (X-1) business day in Lithuanian time and until 16:00 of X business day in Lithuanian time shall be carried out;
- 108.6. after the above applications have been completed, the final NAV of the business day X is calculated, and published no later than at 12:00 of the next business day.
109. The price of one Company share is equal to the Company's NAV divided by the number of shares issued by the Company and not redeemed.
110. The value of the Company's share must coincide with the Company's share of NAV per share.
111. When selling the Company's shares, the share sale price shall be increased by the amount of Company share distribution costs per one share, which comprises up to 2% of the share price. Upon the decision of the Management Company, the share distribution fee may not apply. Specific distribution fees and their application terms are indicated in the Company's prospectus.
112. When redeeming the Company's shares, share redemption price may be decreased by the amount of redemption costs per one share, which comprises up to 1% of the share price. Redemption cost size is calculated by the Company's Management Company. Specific redemption fees are published in the Company's Prospectus. Redemption fee, if such is applied, is transferred to the Management Company.

**Q. DETERMINATION OF THE COMPANY'S ASSET AND NET ASSET VALUE**

113. The Company's NAV is determined in euro (EUR) in accordance with the Net Asset Value Calculation Methodology approved by the Supervisory Authority and the Description of NAV Calculation Procedures approved by the Management Company. The detailed procedure for determining the value of assets and calculating the Company's NAV is specified in the Company's Prospectus.
114. The fair value of assets and liabilities is determined based on observed market transactions or market information. In absence of observed market transactions and market information related to assets and liabilities, fair value is determined using valuation methodologies. The determination of fair value in all cases pursues the same objective of calculating the amount for which the counterparties may sell assets or services to each other under normal market conditions or transfer a liability at the valuation date.
115. The difference between the values of assets and liabilities is reflected in the NAV.
116. Calculation of assets and liabilities is based on their fair value which must reflect NAV, under which these assets are most likely to be sold.
117. The Company's NAV and the value of the Company's share must be calculated for each business day.

118. The calculated value of the Company's NAV for each business day and the selling price shall be published at all points of sale and redemption of the Shares of the Company and on the Management Company's website no later than by 12:00 of the next business day.

## **R. FUND COST STRUCTURE AND COVERAGE PRINCIPLES**

119. By using its own monetary resources, the Company must cover the following costs related to the Company's activities:
- 119.1. remuneration to the Management Company for the management of the Company's assets;
  - 119.2. other expenses related to the management of the Company, they are described in clauses 122.1 – 122.7 of these Articles of Association;
  - 119.3. remuneration to the Depository for depository services;
  - 119.4. remuneration to public trading intermediaries for the services of a finance broker (public trading intermediary);
  - 119.5. OMX Baltic Benchmark GI index use licensing fee;
  - 119.6. Fees related to the listing of the Company's shares on the Exchange: fees to AB Nasdaq Vilnius, fees to the issuer's market maker, the issuer's main representative and the account manager – UAB FMĮ Orion Securities. Specific fees related to the Company's share quotation in the Exchange are listed in the Company's prospectus.
120. Remuneration to the Management Company for the management of the Company is equal to 1% of the average annual value of the Company's net assets, however, in any case not less than EUR 3000 per calendar month.
121. Other costs relating to Company management are as follows:
- 121.1. remuneration to the auditor for audit services and consultations;
  - 121.2. remuneration to legal consultants for legal consultations, legal aid and representation;
  - 121.3. remuneration for accounting and related services, preparation of reports, calculation of NAV;
  - 121.4. costs related to the provision of information to Investors and the costs of their servicing;
  - 121.5. costs paid to financial intermediaries, banks, stock exchanges and others for carried out asset transfer transactions, various mediation, Company transfer, account opening and management, commission fees and other fees relating to the Company's asset management;
  - 121.6. costs related to the publication of information about the Company, Company marketing and investor attraction to the Company.
  - 121.7. expenses for notaries, registers, state fees.

122. The Company uses its own financial resources to cover costs relating to the acquisition of securities, sale of securities, recalculation of the value of securities at market value (including cases when securities are sold at a lower than the acquisition price), calculated state taxes, realised and unrealised impairment of securities, effect of changes in exchange rates.
123. Remuneration to the Depository for accounting of the Company's shares, custody of assets (Depository services) may not exceed 0.3% of the Company's average annual NAV.
124. An additional fixed fee not exceeding EUR 10 or an equivalent amount in another equivalent currency shall be paid from the Company's Funds to the Depository for each securities and cash transaction in the Company's monetary and securities accounts.
125. Remuneration to the share distributor and/or sub-distributors for the distribution of shares may not exceed 2% of the share price, and may not exceed 1% of the share price for redemption. The specified fees, in accordance with the procedure established by legal acts, are taken from the Investor who acquires or sells the Company's shares, by increasing (or decreasing) the price of the share to be sold accordingly. Upon the decision of the Management Company, separate institutional investors may be exempt from paying fees to the share distributor and/or sub-distributor, or the market maker. Upon the decision of the Management Company, investors may also be exempt from paying fees to the distributor and/or sub-distributor, if these investors are acquiring or selling shares through certain share distributors or sub-distributors. Upon the decision of the Management Company to exempt individual institutional investors and/or Investors acquiring or selling shares through certain distributors or sub-distributors of shares from the fee paid to the distributor and/or sub-distributor of shares, the exact rates of the fees must be indicated in the prospectus and on the Website of the Management Company.
126. Remuneration to public trading intermediaries for financial brokerage (public trading intermediary) services is set forth in the contract concluded with the intermediary.
127. Remuneration to the auditor for audit services per year may not exceed 10,000 EUR or respective amount in another equivalent currency, excluding remuneration for additional consultations.
128. The Company's financial resources can be used to only cover the costs relating to the activities of the Company. The highest amount of costs covered from the Company's financial resources may not exceed 5% of the Company's average annual NAV. All unplanned Company costs or costs that exceed the set limits must be covered at the expense of the Management Company.
129. The remuneration amount paid to the Management Company is calculated each day when calculating the Company's NAV, and paid within 10 business days at the end of the month. Remuneration amount paid to the Management Company is revised at the end of the year. Overpayments of remuneration to the Management Company accumulated during the year are returned to the Company within 10 business days. Underpayments of remuneration to the Management Company are transferred to the Management Company within 10 business days.
130. Remuneration to the Depository for the accounting of the Company's shares, custody of assets (depository services) is calculated each time during the calculation of the Company's NAV, and paid within 10 business days at the end of each quarter. Remuneration amount paid to the Depository is revised at the end of the year. Fee overpayments accumulated during the year are returned to the Company within 10 business days. Fee underpayments are transferred to the Depository from the Company's accounts within 10 business days.

131. Financial resources intended for covering the costs relating to the activities of the Company specified in paragraphs 122.1 – 122.7 thereof, which are not paid periodically or under established procedures, shall be stored in the Company's bank account and transferred when such costs are incurred.

**S. PROCEDURES FOR PUBLISHING INFORMATION. INFORMATION PROVIDED TO SHAREHOLDERS**

132. Information to be disclosed to Shareholders or other persons is published in accordance with the procedure established by law in an electronic publication issued by the manager of the register of legal persons for the publication of public notices or sent to each Shareholder by a registered letter. The Management Company or the liquidator shall be responsible for the timely publication and submission of resolutions and notices.
133. The Company must publish:
- 133.1. the prospectus of the Company;
  - 133.2. document containing main information for investors;
  - 133.3. report of each financial year;
  - 133.4. report of the first six months (hereinafter Semi-annual) of each financial year;
  - 133.5. statistics report.
134. The Prospectus must provide sufficient information so that the Investor could properly evaluate the offered investment and related risk. The prospectus must explain the nature of the risk clearly and in an understandable manner. The structure of the prospectus and its formation must be easily understood by the average investor.
135. The document containing the main information for investors must clearly indicate the words "Main information for investors" and provide the Investors with all the necessary information on the essential characteristics of a collective investment undertaking, on the basis of which they could understand the essence of the collective investment undertaking proposed to them, as well as its typical risk, and could make justified investment decisions. Information provided in the document containing main information for investors must be correct, clear and not misleading, and should match the information provided in the prospectus.
136. The annual report shall include annual financial statements and other information determined by the Supervisory Authority from which the Investors can draw reasonable conclusions as to the Company's operations and its performance.
137. The Company's Articles of Association are provided as an annex to the prospectus. It is not necessary to add the Company's Articles of Association if the Investors are informed that, upon their request, these documents will be sent personally to them, or they will be informed where to access them within the territory of the Republic of Lithuania.
138. If the information published in the prospectus changes, the prospectus must be amended no later than within 7 days from the occurrence of such changes, and must be immediately provided to the

Supervisory Body.

139. The data of the annual financial statements must be audited. After performing the audit, the auditor's findings on the set of financial statements must be provided. The following must be stated in the audit report: whether the NAV is calculated correctly, whether the assets are invested in accordance with the Company's articles of association, assessment of the effectiveness of risk management measures and methods, assessment of the effectiveness of the Management Company's internal controls and risk management systems and measures, and also list all recorded violations of the legislation. Audit reports are also submitted to the Supervisory Authority.
140. The Supervisory Body can provide other requirements for the prospectus, the Articles of Association, and document containing main information for investors, the contents of the annual and semi-annual reports, as well as the procedures for their submission to the Supervisory Body.
141. The annual and half-yearly reports must be published and submitted to the Supervisory Authority by the following duties:
  - 141.1. annual report – within 4 months after the end of the financial year;
  - 141.2. semi-annual report – within 2 months after the end of the semi-annual reporting year.
142. A copy of the Prospectus and the key investor information document must be provided to investors free of charge prior to the conclusion of the investment agreement.
143. Copies of the Prospectus, the latest annual report and the half-yearly report prepared thereafter shall be provided free of charge to Shareholders who so request.
144. The key investor information document must be provided to Investors before concluding an investment agreement. This document is provided to the Investors free of charge on a durable medium, by providing a link to the Management Company's website or a copy of the document provided to Investors free of charge.
145. Annual and semi-annual reports are provided to Shareholders upon their request and free of charge.
146. Annual and semi-annual reports must be available to the public in areas indicated in the prospectus.
147. When publicly offering to acquire shares, it is necessary to indicate that a prospectus is prepared, as well as areas where the public can receive it or familiarise themselves with it.
148. Only the information that is provided in the prospectus and periodic reports can be used in the Company's promotion.
149. The Company can request the Shareholder to pay a 0.14 EUR fee for a copy of one A4 format page of the requested documents of the Company. The documents indicated by the laws and the present Articles of Association shall be made available free of charge. i.e.: The Company's Articles of Association, prospectus, key investor information document and semi-annual/annual reports.

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

150. The basis for Company liquidation can be:

- 150.1. court or creditors' decision to liquidate the bankrupt Company;
  - 150.2. court decision to liquidate the Company for violations provided for by the laws of the Republic of Lithuania;
  - 150.3. court decision to recognise the Company as illegally established;
  - 150.4. GMS decision;
  - 150.5. termination of license issued by the Supervisory Body;
  - 150.6. other cases established by law.
151. The sale and redemption of the Company's shares is suspended after a decision is made in the GMS to liquidate the Company. Persons who are carrying out the distribution and redemption of the Company's shares must be notified about this decision within one day.
  152. The institution that decided to liquidate the Company shall assign a liquidator with the necessary authorisations established in the legal acts. From the date the liquidator is assigned, the Company's management bodies (if any, and the Management Company), excluding GMS, shall lose their authorisations to manage the Company.
  153. The liquidator informs the registrar about the Company's changed status and provides data about the liquidator according to the procedures established by law. After the Company is re-registered and gains the status of a company under liquidation, the words "in liquidation" are written after its name.
  154. The Company in liquidation can carry out only those transactions that are related to its liquidation.
  155. Information about the Company's liquidation process and terms is provided upon request to each Shareholder, directly to the interested third party and the Supervisory Body.
  156. The assets of the Company in liquidation must be sold according to the procedures established by legal acts, and Shareholders must be paid in cash.
  157. The liquidator must provide the Supervisory Authority the information on the course of liquidation, including settlement with the Company's shareholders, and other information specified in legal acts.
  158. The Company's bankruptcy procedure is carried out according to the legal acts regulating the bankruptcy process and only by court order.
  159. The Supervisory Body shall have the right to submit a statement to court regarding initiation of bankruptcy proceedings for the Company.

**U. OTHER MATTERS RELATED TO THE ACTIVITIES OF THE COMPANY**

160. Matters related to the Company's activities that were not discussed herein shall be addressed according to the procedures set forth by the laws and other legal acts of the Republic of Lithuania.

Person authorised by the GMS:

Date of signing the Articles of Association: \_\_\_\_\_ 2020