 <b>INVL Asset Management UAB</b>	<b>REGULATIONS OF THE INVESTMENT COMMITTEE OF THE CLOSED-END INVESTMENT COMPANY (CEIC) INVL BALTIC REAL ESTATE</b>	<b>T17-(5.7.)-43</b>
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For use by: <b>Private Equity Funds Department</b>		

## **REGULATIONS OF THE INVESTMENT COMMITTEE OF THE CLOSED-END INVESTMENT COMPANY (CEIC) INVL BALTIC REAL ESTATE**

### **GENERAL PROVISIONS**


1. The Investment Committee (hereinafter – the IC) of the Closed-end Investment Company (hereinafter – CEIC) INVL Baltic Real Estate (hereinafter – the Managed Company) managed by INVL Asset Management UAB (hereinafter – the Managing Company) is the collegial investment and management decision-making body responsible for adopting decisions on the management of the Managed Company’s assets and for the representation and protection of the Managed Company’s interests.
2. The IC shall conduct its activities in accordance with the legal acts of the Republic of Lithuania governing such activities, the Managing Company’s approved Policy for Evaluating, Adopting and Implementing Investment Decisions of the Managed Company (hereinafter – the Policy), the regulations of the Advisory Committee of the Managed Company, and the investment strategy specified in the instruments of incorporation of the Managed Company.
3. These regulations shall be binding to all members of the IC as well as all employees of the Private Equity Funds Department (hereinafter – the Department) of the Managing Company.

### **PURPOSE**

4. The purpose of the IC is to ensure the Managed Company’s objectives, its investment strategy and the adoption of prudent decisions for the investment and management of the Managed Company’s assets, to supervise the adopted decisions.

### **FUNCTIONS**

5. The functions of the IC are:
  - 5.1. to seek to increase the value of individual investment objects and also of the Managed Company as a whole;
  - 5.2. to consider and adopt investment and management proposals submitted to the IC;
  - 5.3. to take into account the opinion of the AC regarding an investment proposal;
  - 5.4. when making investment decisions, to assess the impact of the corresponding investment on the Managed Company’s assets, liquidity and risk and return profile, and to explain the reasoning that led to the voting results;
  - 5.5. when making decisions, to evaluate whether the requirements for the diversification of the Managed Company’s assets are not violated;
  - 5.6. to adopt decisions on the approval/rejection of investment or management proposals and/or their return for additions/improvements;
  - 5.7. to provide proposals on new investment ideas and improvement of the management processes of the Managed Company as well as improvement of these regulations;
  - 5.8. when making investment decisions, to establish possible investment restrictions for a specific investment object;
  - 5.9. to submit proposals and plans for further implementation of an investment proposal;

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- 5.10. to determine the procedures for entering into relationships with consultants, advisors, brokers, investment bankers and other experts;
- 5.11. to supervise the implementation of the decisions that have been adopted;
- 5.12. to monitor the effectiveness and efficiency of decision-making procedures continuously.

#### **SET-UP PROCEDURE AND RESPONSIBILITY**

6. IC members shall be appointed and removed by resolution of the board of the Managing Company.
7. The IC shall consist of three members.
8. IC members must have at least 3 years of work experience in the development and management of real estate projects or other similar activities. IC members must have an impeccable reputation.
9. Employees responsible for determining the value of investment instruments may not be the members of the IC.
10. IC members are obliged to safeguard the commercial secrets of the Managing Company and the Managed Company about which they have learned as members of the IC.

#### **PROCEDURES FOR THE ORGANISATION OF WORK AND DECISION-MAKING**

11. Decisions of the IC shall be adopted during a meeting of the committee (hereinafter – IC Meeting).
12. Issues proposed for consideration and draft decisions shall be prepared and submitted to the IC by IC members, AC members or Department employees.
13. Draft decisions shall be prepared in the light of the investment strategy specified in the articles of association of the Managed Company and the requirements established in the management agreement, the current level of risk of the Managed Company's assets, as well as the impact of investment decisions on the overall level of risk of the Managed Company's assets, the relationship between the expected return and risk, the future counterparty to a transaction and its risk, and other circumstances stipulated in the Policy.
14. The IC member who initiates an IC Meeting shall notify all the other IC members by e-mail about the planned meeting. When submitting investment proposals to the IC, the supporting materials shall also be sent to the members by e-mail.
15. The Members of the Board of the Managing Company shall be invited to every IC Meeting (even if they are not an IC members). They will also be given an opportunity to get acquainted with the information for all items on the IC agenda.
16. AC members and other employees of the Managing Company may also be invited to IC Meetings in an advisory capacity. They are obliged to safeguard the commercial secrets of the Managing Company and the Managed Company about which they learn while participating in IC Meetings.
17. The IC may adopt decisions, and its meeting shall be deemed to have been held, when at least 2/3 of the appointed (elected) IC members attend the meeting.
18. Decisions of the IC shall be adopted with members voting "for" or "against" each of the investment or management proposals that are put forward. An IC member may not abstain from voting.
19. IC members have the right but not the obligation to adhere to the opinion expressed by the AC regarding a given investment decision.
20. A decision of the IC is deemed adopted if all the appointed IC members vote in favour of the decision.

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21. IC members must excuse themselves from voting on proposed decisions if their voting would give rise to a conflict of interest situation.

#### **DOCUMENTS**

22. Minutes shall be taken of IC Meetings. The minutes should specify the following information:

- 22.1. the date of the IC decision;
- 22.2. the identification number and/or name of each investment object;
- 22.3. the terms of the transaction, if any;
- 22.4. the distribution of votes among the participating IC members;
- 22.5. the position expressed by each IC member;

23. Data, documents and information related to IC decisions shall be kept on file for at least 10 years.

#### **FINAL PROVISIONS**

24. The head of the Department must ensure that if the data regarding IC members change or they cease to perform such duties, information about such changes is provided to the Bank of Lithuania within 5 business days of the change.