

**EFTEN REAL ESTATE FUND III AS
ARTICLES OF ASSOCIATION**

1. BUSINESS NAME AND SEAT

- 1.1. The business name of the public limited company is EfTEN Real Estate Fund III AS (hereinafter “the Fund”).
- 1.2. The seat of the Fund is Tallinn, the Republic of Estonia.

2. OBJECTIVES, MAIN PRINCIPLES OF INVESTMENT AND DIVIDEND POLICY

- 2.1. The Fund is a closed-ended investment fund whose objective is to provide shareholders with the possibility to receive shares from an actively managed real estate portfolio. The Fund is a real estate fund.
- 2.2. The Fund is a publicly offered fund. The Fund is not a guaranteed fund.
- 2.3. The Fund is founded as a fixed-term fund. The term of the Fund is 10 (ten) years, which shall be divided into three periods:
 - i) 3 (three) years investment period (hereinafter “the Investment Period”);
 - ii) 5 (five) years of holding assets (hereinafter “the Holding Period”); and
 - iii) 2 (two) years of exiting (hereinafter “the Exit Period”).If the shares of the Fund are listed on the exchange, the Fund becomes an investment fund with no term and the division of the term into periods ends.
- 2.4. If the fund manager of the Fund submits to the general meeting of shareholders the proposal to list the Fund on the exchange and the general meeting of shareholders decides to grant the fund manager the permit to initiate a listing procedure, the fund manager shall contribute their best efforts to ensure that the Fund is listed on the exchange by the end of the Holding Period at the latest. If it becomes evident due to objective circumstances that the Fund cannot be listed or the Fund is not listed by the end of the Holding Period, the fund manager shall promptly notify all shareholders of this circumstance.
- 2.5. If by the expiry of the term the Fund has not been listed according to section 2.4, the Fund shall be dissolved and liquidated upon the expiry of the term of the Fund pursuant to these articles of association and the procedure provided for in legal acts or the term of the Fund is extended by one year by a resolution of the general meeting.
- 2.6. The main objective of the Fund is to invest into commercial real estate (incl. mixed purpose real estate) that generates cash flows or will start generating cash flows after necessary development activities and into related securities. Securities related to real estate are the shares or units of companies that invest into real estate or manage real estate.
- 2.7. The Fund invests into real estate that is located (or into securities the issuers of which are located) in Estonia, Latvia or Lithuania. The Fund may also invest into or participate by other means in investment undertakings (incl. joint undertakings, special purpose entities (hereinafter “SPVs”), other real estate funds etc.) that may be registered in any contracting state of the European Economic Area, provided that the strategy of these investment undertakings is not in conflict with the investment strategy of the Fund and the main source of revenue of the said investment undertakings is the acquisition, sale or management of real estate in the territory specified in this section. The referred activities shall primarily be directed at:
 - 2.7.1. activities with commercial real estate that generate cash flows (i.e. activities with industrial, storage, logistics, retail and office buildings and hotels);
 - 2.7.2. development projects aimed at the development of commercial real estate, whereas the primary objective of the development project must be aimed at strengthening the future cash-flows of the developed commercial real estate;
 - 2.7.3. acquisition of land plots with adopted detail or zoning plans that are suitable the development of the construction of commercial real estate for the strengthening of future cash flows. The Fund shall not acquire registered immovable without building right for the purpose of speculation.
- 2.8. As secondary activity the Fund may grant loans to SPVs or issue guarantees for securing the performance of the liabilities assumed by SPVs in which the Fund holds or intends to acquire all or some shares or units and to undertakings whose principal activity is investing in real estate or real estate management.
- 2.9. The investment strategy of the Fund is to acquire commercial real estate that generates cash flows in the territory determined in section 2.7 of the articles of association; give added value

or redevelopment potential to current commercial real estate that generates cash flows and develop new commercial or mixed purpose real estate with the aim of generating future cash flows.

- 2.10. The distribution of the revenue of the Fund is permitted during all periods of the Fund and after the Fund is listed on the exchange. The distribution of the revenue of the Fund is determined on the basis of the net cash flow of the lease payments of the real estate that generates cash flows for the entire reporting year (EBITDA minus interest payments minus principal payments) from which reserves for working capital and possible improvement costs have been deducted (minimum 20%). The amount of the dividends to be distributed shall be approved by the Fund's creditors if necessary. The distribution of the revenue of the Fund shall be decided by the general meeting of the Fund. The distribution of the revenue of the Fund shall be discussed as a separate agenda item of the general meeting and a separate resolution shall be adopted with regard thereto which determines the date of fixing the list of shareholders for the payment of dividends, the amount of dividend per share, the terms for payment of dividends.

3. INVESTMENT RESTRICTIONS, DISPOSAL RESTRICTIONS, RISK SPREADING

- 3.1. The assets of the Fund shall be managed and disposed by the fund manager to the extent prescribed by law and the management contract. At least 80% (eighty percent) of the value of the assets of the Fund shall be invested in real estate and/or securities related to real estate.
- 3.2. The assets of the Fund that are not required to be invested into real estate or securities related to real estate may be invested in:
 - 3.2.1. The deposits of credit institutions of the European Economic Area;
 - 3.2.2. Derivative instruments.
- 3.3. Investments into derivative instruments (including but not limited to interest rate swaps (IRS)) are made only for the purpose of effective management of the portfolio or cash flow (i.e. only for the purpose of reducing, passing or hedging the Fund's investment risk related to underlying investments). The Fund shall not invest into derivative instruments for the purpose of investment of speculation.
- 3.4. The fund manager shall ensure the sufficient maintenance, administration and management of the assets of the Fund. Based on the investment purpose and restrictions prescribed in the articles of association of the Fund, the supervisory board of the Fund shall review the structure of the assets of the Fund regularly once a year and upon every new investment.
- 3.5. The Fund shall not acquire or own a shareholding in the fund manager of the Fund or its subsidiary.
- 3.6. The Fund shall not make direct investments into fungible things. Notwithstanding the above, objects that are necessary for the management of immovable property may be acquired for the account of the Fund.
- 3.7. The Fund shall not acquire assets from the fund manager, members of its management board or supervisory board, its auditors or employees, members of the management board or supervisory board of the Fund, its auditors or employees, companies that are in the same group as the fund manager or persons who have common commercial interests with the above persons or from other funds managed by the fund manager. As an exception, the acquisition of assets from the fund manager and other funds managed by the fund manager is permitted under the terms provided in law and only upon the approval of the supervisory board.
- 3.8. The Fund shall not transfer its assets to the fund manager, members of its management board or supervisory board, its auditors or employees, members of the management board or supervisory board of the Fund, its auditors or employees, companies that belong in the same group as the fund manager or persons who have common commercial interests with the above persons or to other funds managed by the fund manager. As an exception, the transfer of assets to the fund manager and other funds managed by the fund manager is permitted under the terms provided in law and only upon the approval of the supervisory board.
- 3.9. By the decision of the fund manager, the Fund may leverage its assets by taking a loan in an amount equal to up to 65% of the current value of the respective investment.
- 3.10. After three years from the founding of the Fund, the investments of the Fund shall not be in the shares or units of one issuer or one real estate in an amount that exceeds 30% (thirty percent) of the value of the assets of the Fund.

- 3.11. The restrictions on risk-spreading may be temporarily exceeded in accordance with the Investment Funds Act for reasons not dependent on the fund manager without damaging the interests of the shareholders. Exercising of a right of pre-emption to acquire securities, a bonus issue, change in the market value of securities and other such reasons are deemed to be reasons independent of a fund manager if the objective of the transactions conducted for the account of the fund is to commence compliance with the above specified restrictions.
- 3.12. The fund manager shall, in addition to the above, comply with all obligatory investment restrictions and requirements for risk spreading provided in law.

4. SHARE CAPITAL AND SHARES

- 4.1. The minimum share capital of the Fund is EUR 28,852,630 (twenty eight million eight hundred and fifty two thousand six hundred and thirty) and the maximum share capital is EUR 115,410,520 (one hundred and fifteen million four hundred and ten thousand five hundred and twenty).
- 4.2. The share capital of the Fund may be increased and reduced within the limits of the minimum and maximum amount provided in section 4.1 of these articles of association without amending the articles of association.
- 4.3. The Fund has one type of registered shares with a nominal value of EUR 10 (ten) per share, each of which shall grant the shareholder of the Fund 1 (one) vote. Share certificates shall not be issued for the shares.
- 4.4. A share shall grant the shareholder the right to participate in the general meeting of shareholders and in the distribution of profits and, upon dissolution of the Fund, of the remaining assets of the Fund, as well as other rights provided by law or prescribed by the articles of association.
- 4.5. The increase and reduction of share capital shall be decided by the general meeting of shareholders or the supervisory board pursuant to the procedure provided in section 6.11. The resolution of the general meeting on the increase or reduction of share capital shall be adopted if at least if at least 2/3 (two-thirds) of the votes of the shareholders who participate in the general meeting are in favour.
- 4.6. Upon the increase of share capital, the shareholders shall have a pre-emptive right to subscribe for the new shares in proportion to the sum of the nominal value of the shareholder's shares. The pre-emptive right of the shareholders may be barred by a resolution of the general meeting which receives at least 3/4 (three-quarters) of the votes represented at the general meeting. Upon the oversubscription for shares, the supervisory board shall determine the principles for the distribution of shares.
- 4.7. The shares are paid for only by monetary contributions.
- 4.8. The shares of the Fund may be freely transferred and the transfer thereof is not subject to the provisions of subsection 229 (2) of the Commercial Code.
- 4.9. A shareholder may pledge shares. Shares are pledged pursuant to the procedure provided in legal acts.
- 4.10. The legal reserve is 1/10 (one tenth) of the share capital of the Fund, unless provided otherwise by the law. The Fund shall annually increase the mandatory legal reserve by 1/20 (one twentieth) of the net profit of the previous financial year until it reaches 1/10 (one tenth) of the share capital of the Fund.
- 4.11. The Fund shall not issue preferred shares or convertible bonds, also any other securities that grant its owners rights that are similar to those arising from preferred shares or convertible bonds.
- 4.12. The Fund shall not repurchase shares from the shareholders.
- 4.13. The shares of the Fund shall not be converted to shares or units of another fund.

5. GENERAL MEETING OF SHAREHOLDERS

- 5.1. The general meeting of shareholders is the highest managing body of the Fund.
- 5.2. An annual general meeting shall be held at least once a year within four months as of the end of the financial year of the Fund. The shareholders shall be notified of the annual general meeting at least three weeks prior.

- 5.3. A special general meeting shall be called if it is deemed necessary by the fund manager or the management board of the Fund or if it is requested by the supervisory board of the Fund, auditor, fund manager, Financial Supervisory Authority or the depository.
- 5.4. In addition to the persons specified in section 5.3, the calling of a general meeting and inclusion of items on the agenda may be demanded by the shareholders whose shares represent at least 1/20 (one twentieth) of the share capital.
- 5.5. The request for calling a special general meeting shall be submitted to the management board of the Fund in writing, indicating the reason for calling the meeting. The shareholders shall be notified of a special general meeting at least one week prior.
- 5.6. The notice of calling a general meeting of shareholders shall be published on the website of the Fund at www.erref.ee. The management board shall send the notice of calling a general meeting to all shareholders to the postal address entered in the share register, unless the Fund has more than 50 shareholders, in which case the management board shall publish the notice in at least one daily national newspaper.
- 5.7. The notice of calling a general meeting may also be forwarded to the shareholders by sending an unregistered letter or fax or by electronic means in accordance with subsection 294 (1¹) of the Commercial Code.
- 5.8. A shareholder may participate in a meeting personally or through a representative, who has been granted a written power of attorney. The participation of a representative does not deprive the shareholder of the right to participate in the general meeting.
- 5.9. In order for the shareholder to participate in the general meeting, the shares must be registered in the shareholder's name or the account of the representative in the register kept by the registrar of the register of shares as at the end of the seventh day (at 23:59) preceding the general meeting the latest.
- 5.10. A list of shareholders who participate in the general meeting which shall set out the names of the shareholders who participate in the general meeting, the number of votes attaching to their shares, and the names of the representatives of shareholders shall be prepared at a general meeting. The list shall be signed by the chairman of the meeting and the recording secretary, and by each shareholder physically attending the general meeting or the shareholder's representative. The list shall be signed by the chair of the general meeting and the recording secretary, also all shareholders who participated in the general meeting or the representatives thereof.
- 5.11. The general meeting is competent to:
 - 5.11.1. amend the articles of association of the Fund, including in such manner that the right to make decisions which are in the competence of the general meeting that has been granted in the competence of the supervisory board or management board shall be reclaimed into the competence of the general meeting.
 - 5.11.2. decide on the listing of the Fund on the exchange pursuant to the procedure provided in section 2.4;
 - 5.11.3. change the term of the Fund pursuant to the procedure provided in section 2.5;
 - 5.11.4. increase and reduce share capital insofar as it has not been placed in the competence of the supervisory board of the Fund by these articles of association;
 - 5.11.5. decide on the conclusion, amendment and termination of a management contract;
 - 5.11.6. amend the procedure for making payments to the shareholders for the account of the revenue of the Fund;
 - 5.11.7. amend the investment policy of the Fund insofar as it is not in the competence of the supervisory board according to section 3.4 of the articles of association;
 - 5.11.8. elect, extend the authorisation of and recall members of the supervisory board and specify the procedure for and amount of remuneration of members of the supervisory board;
 - 5.11.9. designate a special audit;
 - 5.11.10. approve the annual report and distribute profit;
 - 5.11.11. decide on the termination of the Fund before the prescribed term (including the liquidation or merger of the Fund);
 - 5.11.12. decide on the conclusion and terms and conditions of transactions with the members of the supervisory board, decide on the conduct of legal disputes and appointment of the representative of the Fund in such transactions and disputes;
 - 5.11.13. decide on other matters placed in the competence of the shareholders by law or the articles of association.

- 5.12. A general meeting is competent to adopt resolutions if the represented votes represent over one-half of the shares.
- 5.13. If the required number of votes is not represented at the general meeting, the management board shall call a new general meeting with the same agenda within 3 (three) weeks but not earlier than after 7 (seven) days. A general meeting called for the second time is competent to adopt resolutions regardless of the number of the votes represented at the meeting.
- 5.14. A resolution of the general meeting shall be adopted if over one-half of the votes represented at the general meeting are in favour, unless the law or other provisions of these articles of association prescribe a greater majority requirement.
- 5.15. The adoption of resolutions specified in sections 5.11.1, 5.11.3 and 5.11.11 requires 2/3 (two thirds) of the votes represented at the meeting. The adoption of resolutions specified in section 5.11.5 requires 2/3 (two thirds) of all the votes represented by the shares.

6. SUPERVISORY BOARD

- 6.1. The supervisory board of the Fund shall have 3–5 (three to five) members.
- 6.2. The term of authority of the supervisory board shall be 5 (five) years. Members of the supervisory board may be elected several times.
- 6.3. The members of the supervisory board shall be elected and removed by the general meeting. In order to elect a member of the supervisory board, his or her written consent is required.
- 6.4. Members of the supervisory board shall elect a chairman from among themselves, who shall organise the activities of the supervisory board.
- 6.5. Meetings of the supervisory board shall be held when necessary but not less frequently than once every three months. A meeting of the supervisory board shall be called by the chairman of the supervisory board or by a member of the supervisory board substituting for the chairman. Advance notice of at least 7 (seven) days shall be given of the holding of a meeting of the supervisory board and of its agenda.
- 6.6. A meeting of the supervisory board is competent to adopt resolutions if more than one-half of the members of the supervisory board participate.
- 6.7. Minutes shall be taken of a meeting of the supervisory board and the minutes shall be signed by the chair and recording secretary of the meeting and all the members of the supervisory board who participate in the meeting.
- 6.8. A resolution of the supervisory board shall be adopted if more than one-half of the members of the supervisory board who participate in the voting vote in favour, unless a greater majority requirement is prescribed by the law or these articles of association. The chairman of the supervisory board shall not have the deciding vote upon an equal division of votes. The supervisory board has the right to adopt resolutions without calling a meeting if all members of the supervisory board agree to this. Resolutions adopted without calling a meeting shall be deemed adopted if all members of the supervisory board are in favour of the resolution.
- 6.9. Insofar as it is not in conflict with sections 3.1, 6.10, 7.5 and 7.7 of the articles of association, the supervisory board is competent to:
 - 6.9.1. approve the annual budget;
 - 6.9.2. decide on matters specified in section 6.10 of the articles of association;
 - 6.9.3. appoint and remove procurators;
 - 6.9.4. appoint an audit firm;
 - 6.9.5. approve the terms of a depositary contract;
 - 6.9.6. approve the person maintaining the share register;
 - 6.9.7. decide on conclusion and terms and conditions of transactions with members of the management board of the Fund and also decide on the conduct of legal disputes with the members of the management board and appoint a representative of the Fund for the conclusion of the transactions and conduct of the legal dispute;
 - 6.9.8. approve the half-yearly report;
 - 6.9.9. approve the opening balance of liquidation and annual report.
- 6.10. The supervisory board shall give orders to the management board for organisation of the management of the Fund. Taking into consideration the restrictions provided in sections 3.1, 6.9 and 7.5, the consent of the supervisory board is required for the management board to conclude transactions on behalf of the Fund which are beyond the scope of everyday economic activities and, including the following transactions:
 - 6.10.1. the acquisition or termination of holdings in other companies;
 - 6.10.2. the foundation or dissolution of subsidiaries;

- 6.10.3. the approval and amendment of the Fund's operational strategy;
 - 6.10.4. significant changes in the Fund's activity or involving the Fund in business operations that are not related to the business objectives of the current economic activity of the fund;
 - 6.10.5. transactions that exceed EUR 250,000 (two hundred and fifty thousand).
- 6.11. The supervisory board has the right to increase the share capital of the Fund by making contributions within three years as of the founding. In case of an undersubscription of shares, the supervisory board has the right to extend a subscription term or to cancel shares which are not subscribed for during the subscription term. If shares are subscribed for by the new due date provided by the supervisory board, the subscription is deemed to be valid. The resolution of the supervisory board specified in this section shall be adopted if more than 2/3 (two thirds) of the members of the supervisory board who participate in the meeting vote in favour. Upon oversubscription of the shares, the supervisory board shall determine the principles of distributing the shares.

7. MANAGEMENT BOARD

- 7.1. The management board of the Fund shall have 1 (one) to 3 (three) members who are elected for a term of five years. Members of the management board may be elected several times.
- 7.2. Members of the management board shall be elected and removed by the supervisory board. In order to elect a member of the management board, his or her written consent is required.
- 7.3. If the management board has more than 2 (two) members, the chair of the management board shall be appointed by the resolution of the supervisory board.
- 7.4. Each member of the management board may represent the Fund in all legal acts. The right of a member of the management board to represent the Fund may be further restricted by a resolution of the supervisory board.
- 7.5. The management board of the Fund shall not manage the assets of the Fund to the extent prescribed by applicable law and the management contract. The management board exercises supervision, to the extent and pursuant to the procedure prescribed in the management contract, over the activities of the fund manager related to the fund and to the extent and pursuant to the procedure prescribed in the depositary contract over the activities of the depositary, and over performance by third parties of other functions which are related to the management of the fund and have been outsourced.
- 7.6. If necessary a more detailed work procedure of the management board shall be approved by the resolution of the management board.
- 7.7. The management board may outsource the functions related to the administration of the fund or offer of the shares thereof on the basis of a written contract to a third party if this is in compliance with the law.

8. FUND MANAGER

- 8.1. The fund manager of the Fund is EfTEN Capital AS, registry code 11505542, seat the Republic of Estonia.
- 8.2. The management contract provides that the fund manager shall invest the assets of the Fund and manage the risks related to investing the assets of the Fund, incl.:
 - 8.2.1. find investment objects in Estonia, Latvia and Lithuania that comply with the articles of association of the Fund;
 - 8.2.2. perform the required due diligence with regard to the investment objects that meet the investment criteria;
 - 8.2.3. evaluate risks and make investment decisions;
 - 8.2.4. hold purchase and sale negotiations with regard to investment objects and conclude necessary contracts and transactions on behalf of the Fund.
- 8.3. The fund manager shall provide to the Fund the following services in relation to the management of the fund:
 - 8.3.1. organisation of the issue of shares and acquisition of own shares;
 - 8.3.2. if necessary the issue of documents that prove the right of ownership to the shareholders of the Fund;
 - 8.3.3. communication of necessary information to the shareholders of the Fund and other customer services;
 - 8.3.4. organisation of the marketing of the shares of the Fund;
 - 8.3.5. keeping account of the assets of the Fund;

- 8.3.6. establishment of the net asset value and net share value of the Fund,
- 8.3.7. organisation of maintenance of a register of the shares of the Fund if necessary;
- 8.3.8. calculation of the income of the Fund and organisation of distribution of the income to the shareholders of the Fund;
- 8.3.9. monitoring compliance of the activities of the Fund and the fund manager with the legislation and other legal acts, including implementation of an appropriate system of internal control;
- 8.3.10. preservation of the documents of the Fund;
- 8.3.11. activities that are directly related to activities specified in sections 8.3.1-8.3.10;
- 8.3.12. providing legal services related to the management of the Fund;
- 8.3.13. activities related to the management of the assets that constitute the object of the investments of the Fund, including the administration of real estate, advising undertakings on capital structure, business strategies, mergers and acquisitions and in other matters pertaining to the management of the assets of the Fund and assets constituting the object of its investments.

9. VALUATION OF REAL ESTATE

- 9.1. Real estate that belongs directly to the Fund or the SPVs where the Fund has a majority holding, shall be evaluated by an independent real estate valuator of good repute and with sufficient experience in accordance with the internal rules for the valuation of real estate published on the website of the fund manager. The objective of the valuation of the immovable property of the Fund is to receive market value as the evaluated value which is the fair value.
- 9.2. Real estate shall be evaluated regularly twice a year: 1) as at the end of the financial year and before the auditing of the annual report of the Fund and 2) as at 30 June and before the approval of the half-year report by the supervisory board. Special valuation shall be carried out on the basis of resolutions of the supervisory board according to the rules for valuation of real estate published on the website of the fund manager.
- 9.3. The fund manager shall evaluate the shares or units of the SPVs into which the Fund has invested.

10. GENERAL PRINCIPLES FOR CALCULATION OF NET VALUE

- 10.1. The net Fund value and net asset value shall be calculated in accordance with the procedure for the calculation of the Fund value and asset value approved by the fund manager.
 - 10.1.1. The net value of all shares of the Fund shall be determined on the basis of the value of the assets of the Fund from which the value of liabilities shall be deducted.
 - 10.1.2. For the calculation of the net value of each share of the Fund, the net value of all the shares of the Fund is divided by the number of the shares of the Fund.
 - 10.1.3. The net share value shall be determined to the accuracy of two decimal points.

11. CHARGES AND EXPENSES AND THE PROCEDURE FOR CALCULATION THEREOF

- 11.1. The following fees and charges may be paid and expenses covered on the account of the Fund:
 - 11.1.1. charges and expenses directly related to the management of the Fund payable to the fund manager (management fee);
 - 11.1.2. the fee paid to the depositary for the services provided (depositary's charge);
 - 11.1.3. the transfer fees and service charges directly relates to transactions made (incl. notary fees, state fees);
 - 11.1.4. expenses of the owner of immovable property, incl. the administration, maintenance and public services expenses related to the upkeep of real estate, marketing expenses, land tax, damages payable in relation to the real estate;
 - 11.1.5. charges and expenses related to insurance;
 - 11.1.6. charges for auditing services;
 - 11.1.7. charges and expenses related to accounting services;
 - 11.1.8. advisory fees and expenses (incl. in relation to external partners of due diligence);
 - 11.1.9. expenses for raising capital (incl. the expenses for concluding loan agreements, establishing collaterals, organising the issue of shares);

- 11.1.10. remuneration of the members of the supervisory board (if the general meeting of the shareholders of the Fund decides to remunerate members of the supervisory board);
 - 11.1.11. remuneration of the members of the management board (if the supervisory board of the Fund decides to remunerate members of the management board);
 - 11.1.12. expenses for the liability insurance of members of the supervisory board and management board;
 - 11.1.13. remuneration of employees (if the management board of the Fund decides to employ staff);
 - 11.1.14. internal control charges (if internal control is designated);
 - 11.1.15. expenses related to court or arbitration proceedings and execution of the decisions thereof;
 - 11.1.16. expenses related to the translation of documents, incl. reports;
 - 11.1.17. expenses related to the valuation of real estate investments;
 - 11.1.18. real estate agent fees (if the property acquired for the Fund is purchased or the purchased assets are leased or rented through an agent, *inter alia*, the sales manager of the fund manager whose task is to lease, rent the assets of the Fund is deemed equal to the activity of a real estate agent).;
 - 11.1.19. charges related to the listing, registration and safekeeping of shares, incl. charges related to opening and keeping a deposit account;
 - 11.1.20. interest and financial expenses and taxes payable under the applicable law;
 - 11.1.21. expenses related to holding and organisation of a general meeting;
 - 11.1.22. expenses related to amendment of the articles of association;
 - 11.1.23. service fees of banks, commissions, depositary's charges, postal charges, state fees and procedural fees of state bodies;
 - 11.1.24. charges related to the communication of necessary information to the shareholders of the Fund and other customer services (incl. charges for the publication and management of information in databases);
 - 11.1.25. minor expenses related to the daily activities carried out for the objectives of the Fund;
 - 11.1.26. liquidation expenses to the extent provided for in the Investment Funds Act.
- 11.2. The management fee paid for the management of the Fund shall comprise of a basic remuneration and performance pay.
- 11.2.1. Basic remuneration shall be 2% of the invested capital of the Fund per year. The basic remuneration shall be paid monthly.
 - 11.2.2. Performance pay shall be calculated:
 - 11.2.2.1. for the period preceding the listing of the Fund on the exchange
 - a) upon the sale of an investment object according to the following formula: performance pay from an investment object = $0.2 \times (\text{sales price of investment object} - \text{purchase costs of investment object} - \text{expenses related to the purchase of investment object} - \text{improvement costs of investment object} - \text{minimum rate of return on invested capital related to the investment object to be sold})$ or
 - b) upon the consolidated sale of investment objects: performance pay from investment objects to be sold = $0.2 \times (\text{amount of sales prices of investment objects to be sold} - \text{amount of purchase prices of investment objects to be sold} - \text{improvement costs of investment objects to be sold} - \text{minimum productivity of the invested capital related to sold investment objects})$ or
 - c) in relation to the listing of the shares of the Fund or upon the termination of the management contract with the fund manager if the investment objects of the Fund have not been disposed of, the performance pay is calculated similarly to section 11.2.2.1. b) on the basis of investment objects, replacing the sales price of the investment object in the calculations with its fair value that has been calculated according to the fund manager's "Procedure for calculating the value of the Fund and assets of the Fund". Herewith the reference rate of return on the invested capital (sum in reference to the investment object of the Fund (or in case of consolidated sales, sum of the values of investment objects to be sold)) is 10% per year. Performance pay shall be paid upon the liquidation of the Fund or upon the termination of the management contract entered into with EfTEN Capital AS or upon a conditional listing decision by the NASDAQ Tallinn Listing and Surveillance Committee with regard to the shares of the Fund.

- 11.2.2.2. After listing on the exchange, the performance pay shall be 20% of the difference between the adjusted closing price on the last trading day of the reporting year and the adjusted closing price on the last trading day of the previous reporting year which is multiplied with the number of shares at the end of the reporting period. The closing price is adjusted: a) the sum of dividends paid for previous periods on the exchange and the income tax on dividends per one share is added to the closing price on the last trading day of the reporting year; b) minimum rate of return for previous periods on the exchange, which is equal to 10% of the closing price on the last trading day of each previous reporting year, is deducted from the closing price. If according to the law the service provided by the fund manager to the Fund is subject to value added tax, this shall be added to the management fee.
- 11.3. Depository's charge shall be paid to the depository of the Fund once a month. Data on the valid rates of the depository's charge are published in the prospectus of the Fund.
- 11.4. The consolidated charges and expenses of the Fund shall not exceed 30% of the equity capital of the Fund per year.
- 11.5. Charges and expenses that are paid on account of the Fund may be paid directly on account of the SPVs in relation to which such service fees and expenses have occurred.
- 11.6. The Fund shall also cover investment costs that are related to increasing and maintaining the value of real estate (including but not limited to in relation to improvement and repair works). Investment costs are inter alia construction costs, development costs and charges, architect fees and fees to other consultants. Investment costs are not deemed expenses but investments of the Fund.
- 11.7. Management fee and depository's charge shall not be paid as an advance payment.
- 11.8. The following fees and charges may be paid and expenses covered for the account of a shareholder of the Fund:
- 11.8.1. fee for the issue of the shares of the Fund;
- 11.8.2. commission related to the share issue transaction payable to a third person or other equivalent fee if it is prescribed in the prospectus of the Fund;
- 11.8.3. compensation for the service fees paid to the registrar for the opening and keeping of a deposit account.
- 11.9. The total charges and expenses specified in section 11.8 for one issue of shares shall not exceed 5% of the net value of the share of the Fund.
- 11.10. Upon the request of a person who acquired shares, the Fund shall notify in a format that can be reproduced in writing of the amount of the fee for issue of shares paid for the account of the person.

12. DISCLOSURE OF ACTIVITIES AND PROCEDURE FOR SUBMISSION OF REPORTS

- 12.1. Information and circumstances regarding the Fund which materially influence the activities or financial situation of the fund, formation of the net asset value of the shares shall be disclosed promptly as of the entry into force of the respective document or changes to data on the website of the Fund at www.eref.ee. Whereas the annual reports of the fund manager and Fund shall be published within four months after the end of the financial year and the semi-annual report within two months as of the end of the half-year on the website referred to in the previous sentence.
- 12.2. In addition to the above, it is possible to access the following data and documents on the website of the Fund at www.eref.ee and in the location of the fund manager during regular working hours (i.e. on business days from Monday to Friday at 9:00–17:00):
- 12.2.1. articles of association of the Fund;
- 12.2.2. latest annual report of the Fund;
- 12.2.3. latest semi-annual report of the Fund if it is approved after the latest annual report;
- 12.2.4. the prospectus for the issue of Fund shares and simplified prospectus if it exists;
- 12.2.5. notice of material changes to the prospectus;
- 12.2.6. notice of issue of shares and offer outcomes;
- 12.2.7. notice of suspension of offer of shares;
- 12.2.8. notices of calling a general meeting of the Fund;
- 12.2.9. minutes of a general meeting of the Fund;
- 12.2.10. rate of return for at least the past 12 months;
- 12.2.11. according to formation of history, the average rate of return of the fund per two, three and five calendar or financial years;

- 12.2.12. internal rules of the fund manager for the establishment of the net asset value of the Fund and share;
- 12.2.13. internal rules for the valuation of real estate;
- 12.2.14. notice of amendments to the articles of association;
- 12.2.15. notice concerning transfer of management of the Fund.
- 12.2.16. notice of receipt for authorisation of merger;
- 12.2.17. notice concerning liquidation
- 12.3. Upon the request of a shareholder, a copy of the documents specified in sections 12.2.1–2.2.4 shall be made for the shareholder free of charge.
- 12.4. The fund manager shall establish and disclose the net asset value of the Fund and share at least once a month. The fund manager may establish and disclose the net asset value of the Fund and share more frequently according to need.

13. PROCEDURE FOR AMENDMENT OF THE ARTICLES OF ASSOCIATION

- 13.1. Amendment of the articles of association shall be decided by the general meeting.
- 13.2. An assessment of the materiality of the amendments to the articles of association shall be prepared if this is required by law.
- 13.3. Amendments to the articles of association shall be approved by the Financial Supervision Authority, unless only such provisions are amended which the Fund is required to amend due to any amendments made to legislation or which make such corrections or amendments to the Fund or articles of association which have no impact on the rights and obligations of shareholders or which are of favourable nature for shareholders, such as reduction of the limit paid for the account of shareholders. If there is no requirement for prior approval, the amended articles of association shall be submitted promptly to the Financial Supervision Authority.
- 13.4. The fund manager shall publish promptly after the approval of the amendments to the articles of association of the Fund by the Financial Supervisory Authority a notice concerning amendments to the articles of association and the amended articles of association on the fund manager's website.

14. BASES FOR DISSOLUTION OF FUND AND LIQUIDATION

- 14.1. In order to liquidate the Fund, the fund manager shall apply for an authorisation from the Financial Supervision Authority.
- 14.2. After the expiry of the term of the Fund, the Fund shall be dissolved and liquidated unless the general meeting decides to extend the term of the Fund in accordance with section 2.3 or list on the exchange in accordance with section 2.4.
- 14.3. The liquidators of the Fund shall be members of the management board, unless the liquidation resolution prescribes otherwise, or the depositary if the liquidation of the Fund has been decided by the depositary pursuant to the procedure and on the basis prescribed by the Investment Funds Act.
- 14.4. Upon liquidation the following activities shall be performed as soon as possible and in accordance with the interests of the shareholders:
 - 14.4.1. disposal of the assets of the Fund (the aim is to dispose the assets within 10 (ten) months as of the commencement of liquidation);
 - 14.4.2. collection of the debts of the Fund;
 - 14.4.3. satisfaction of the claims of the creditors of the Fund (including the fund manager's claims).
- 14.5. If the due date for the fulfilment of the claim of a creditor has not arrived or a known creditor has not submitted a claim or the creditor does not accept the payment, the respective amount shall be deposited with a credit institution. No transactions that are not required for the liquidation of the Fund shall be made during the liquidation.
- 14.6. Expenses related to the liquidation of the Fund shall be covered on account of the Fund assets. Only actual costs of liquidation may be covered and the limit of the costs of liquidation shall be set out in the decision on liquidation.
- 14.7. After the transfer of the Fund assets, collection of debts, satisfaction of the claims of the creditors and compensation for expenses, the remaining assets shall be distributed between the shareholders of the Fund.

15. FINANCIAL YEAR OF THE FUND

15.1. The financial year of the Fund begins on 1 January and ends on 31 December.

16. DATE OF FOUNDATION OF FUND

16.1. The Fund is founded on 6 May 2015.

Approved by the resolution of the shareholders of the Fund of 27 September 2017.

Viljar Arakas
Member of management board
/signed digitally/