

**RULES FOR THE BUY-BACK OF SHARES OF THE
SPECIAL CLOSED-END REAL ESTATE INVESTMENT COMPANY INVL BALTIC REAL ESTATE***General provisions*

1. These Rules for the Buy-Back of Shares (**the Rules**) of the special closed-end real estate investment company INVL Baltic Real Estate (legal entity code 152105644, registered address Gynėjų St. 14, Vilnius, Lithuania) (**the Company**) set out the procedure according to which the Company's management company – UAB INVL Asset Management (**the Management Company**) – will provide the shareholders of the Company specified in section 4 of the Rules with an opportunity to relinquish to the Company shares of the Company specified in section 9 of the Rules which they hold.
2. The Rules have been prepared in keeping with article 155 of the Republic of Lithuania Law on Collective Investment Undertakings, sections 4, 5 and 10-11 of the Description of the Procedure for Notification Regarding Material Changes approved by Resolution No. 03-149 of the Board of the Bank of Lithuania of 12 July 2012, sections 91-106 of the Company's Articles of Association, and resolutions 7-10 of the General Ordinary Shareholders Meeting of INVL Baltic Real Estate held on 9 April 2020 (**the Meeting**)¹.
3. The Rules are set by the Management Company. The Company, the Management Company and all shareholders of the Company must comply with them.

Shareholders' right to present shares of the Company for buy-back

4. **Not all** shareholders of the Company have the right to present the shares of the Company envisaged in section 9 of the Rules for buy-back. That right – to present shares of the Company to the Company itself for buy-back – is granted only to shareholders of the Company who:
 - 4.1. at the Meeting voted against the new wording of the Articles of Association of the Company and/or
 - 4.2. at the Meeting voted against the termination of the depository service agreement between the Company and AB SEB Bankas and the conclusion of a new depository service agreement with AB Šiaulių Bankas, or
 - 4.3. at the Meeting abstained in voting on the Meeting agenda items which are envisaged in sections 4.1 and/or 4.2 of the Rules, or
 - 4.4. did not participate in the Meeting.
5. Shareholders of the Company must meet at least one of the criteria envisaged in section 4 of the Rules in order to be able to present shares of the Company which they hold to the Company for buy-back.
6. Shareholders of the Company who do not meet the criteria specified in section 4 of the Rules and who present some or all of the shares of the Company which they hold to the Company for buy-back will be required to compensate all related losses of the Company, the Management Company and other shareholders of the Company. The obligation to compensate losses which is envisaged in this section of the Rules arises regardless of whether the Company bought back or did not buy back all or some of the shares of the Company which were thus unlawfully presented for buy-back.

Determination of the number of shares of the Company to be bought back

7. The maximum number of shares which the Company is allowed to buy back (acquire) is the total number of issued shares of the Company less the number of shares by which the material changes to the

¹ <https://cns.omxgroup.com/cdsPublic/viewDisclosure.action?disclosureId=933881&messageId=1176446>
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Company's incorporation documents and/or the change of provider of depository services were approved at the Meeting, i.e. 2,551,838 shares of the Company.

8. The Company will not execute orders and will not buy back shares of the Company which are presented for buy-back by shareholders of the Company that do not meet the criteria envisaged in section 4 of the Rules. Therefore the Company will not purchase more shares than the maximum number of shares it is allowed to buy back (acquire) envisaged in section 7.
9. The shareholders specified in section 4 of the Rules will have the right to present for buy-back only shares of the Company which they held at the end of the accounting day of the Meeting (2 April 2020). Shareholders of the Company who wish to exercise their right to present shares of the Company held at the end of the accounting day of the Meeting, must present for buy-back all the shares of the Company which they held at that time.
10. Shareholders of the Company who present for buy-back more shares of the Company than they held at the end of the accounting day of the Meeting (2 April 2020) or who present not all of the shares of the Company which they held at that time, will be obliged to compensate all related losses of the Company, the Management Company and other shareholders of the Company.

Buy-back price of the shares of the Company and procedure for payment of the price

11. The price of one share of the Company which is being bought back shall be equal to the last net asset value per share of the Company published before adoption of the decision by the board of the Management Company to approve the Rules², i.e., EUR 1.8526 per share.
12. Settlement for shares of the Company presented for buy-back shall be performed by transferring to shareholders of the Company an amount of money equal to the product of the price of one share of the Company specified in section 11 of the Rules and the number of shares of the Company presented for buy-back in the manner stipulated in sections 14-19 of the Rules (rounding according to the usual rules of rounding in mathematics). That amount of money shall be transferred to shareholders of the Company who have presented shares of the Company for buy-back no later than within 30 calendar days of the date when the instruction of the shareholder of the Company in question to buy back shares of the Company they hold becomes irrevocable, i.e., on 9th December 2020.

Duration of the period for buy-back of the Company's shares

13. The shareholders of the Company envisaged in section 4 of the Rules shall have the right to demand the buy-back of their shares within 4 calendar months of the later of the deadlines specified in sections 21 and 22, i.e., until 9th November 2020 (inclusive).

Procedure for buy-back of the shares of the Company

14. Shareholders of the company who comply with section 4 of the Rules and have the right to present shares of the Company for buy-back will be able to do so only by submitting an order to sell a number of shares of the Company calculated according to section 9 of the Rules via the Nasdaq Vilnius official tender submarket.
15. The Company will accept the orders specified in section 14 of the Rules during the period specified in section 13 of the Rules. Once that period ends, the Company will not accept orders to buy back shares of the Company.

² <https://cns.omxgroup.com/cdsPublic/viewDisclosure.action?disclosureId=946265&messageId=1192202>



16. Shareholders of the Company indicated in section 4 of the Rules who wish to exercise their right to sell shares of the Company to the Company should contact their chosen intermediary of public trading in securities and, using their services, submit the order specified in section 14.
17. Shareholders of the Company who submit the order envisaged in section 14 of the Rules shall have the right to revoke it until 15:30 on 9th November 2020. Given that rules for submitting and revoking orders of shareholders of the Company are established by agreements between each specific shareholder of the Company and their chosen intermediary of public trading in securities, the Company and/or the Management Company are not obliged (and cannot be deemed obliged) to ensure that orders submitted by a specific shareholder of the Company or their revocations are executed properly and on time. Thus a shareholder of the Company who seeks to submit shares of the Company for buy-back or to revoke a submitted order should contact their chosen intermediary of public trading in securities.
18. The Management Company shall take measures to ensure that shares of the Company are presented for buy-back only by shareholders of the Company who meet the requirements stipulated in the Rules and in the manner required by the provisions of the Rules. If it determines based on information provided by intermediaries of public trading in securities that shares of the Company have been presented for buy-back without complying with requirements of the Rules, the Management Company has the right to not accept the presented shares of the Company for buy-back.
19. Shareholders of the Company envisaged in section 4 of the Rules are not required to submit separate notification regarding their opposition to the decisions of the Meeting. Submission of the order envisaged in section 14 of the Rules shall be deemed to be their opposition to the proposed changes.

Notification of shareholders

20. Information about the possibility of expressing (confirming) opposition to the changes in the Company's Articles of Association and/or to the change of provider of depository services and at the same time demanding the buy-back of the shares of the Company specified in section 9 of the Rules which they hold (by submitting the order envisaged in section 14 of the Rules) will be provided only to the shareholders of the Company specified in section 4 of the Rules.
21. To shareholders of the Company whose correspondence addresses are known to the Management Company, this information will be provided by registered letter, sending notifications to the Company shareholders' correspondence addresses known to the Management Company and publishing the information (it shall be deemed that shareholders of the Company have received the corresponding personal notifications on the 10th calendar day after their dispatch (unless the Management Company receives confirmation of the delivery of the notifications at an earlier date)).
22. To shareholders of the Company whose correspondence addresses are not known to the Management Company, this information will be provided publicly via the Nasdaq Vilnius information system, on the website of the Company and in Lietuvos Rytas newspaper (it shall be deemed that shareholders have received the corresponding personal notifications on the 11th calendar day after the information is published via the Nasdaq Vilnius information system).
23. Considering that the shareholders of the Company who approved the Meeting issues by which the Company's Articles of Association are being changed substantially and/or the Company's provider of depository services is being changed are informed about the changes of the Company's operations and do not have the right to present shares of the Company which they hold for buy-back, they will not be provided with the separate notifications envisaged in section 21 of the Rules. These shareholders of the Company will, however, be informed in the manner envisaged in section 22 of the Rules about the essence and content of the changes of the Company's operations and the impact of the changes on the interests and investments of the shareholders of the Company.