

Translation from lithuanian

INVL Baltic Real Estate Policy on Transactions with Related Parties

24 March 2023

GENERAL PROVISIONS

1. This Policy on Transactions with Related Parties (hereinafter – **the Policy**) of the Special Closed-End Real Estate Investment Company INVL Baltic Real Estate (hereinafter – **BRE**) sets out requirements which BRE and UAB INVL Asset Management (hereinafter – **the Management Company**), which manages it as a collective investment undertaking, must observe prior to entering into transactions on behalf of BRE with a party that is related to BRE, pursuant to which rights and obligations of BRE are created, altered or abrogated.
2. The Policy has been prepared in accordance with and implements the requirements of the Republic of Lithuania Law on Companies.
3. The Policy shall be adopted, amended and repealed by resolution of the General Meeting of Shareholders of BRE. Such resolutions must be adopted by a majority of $\frac{3}{4}$ of the votes attached to the shares of the BRE shareholders taking part in the meeting in question.

DEFINITIONS

4. Terms used in the Policy shall have the same meaning as in the Articles of Association of BRE, except where expressly stated otherwise or where the context of a term gives it a meaning different from that in the Articles of Association.
5. A related party of BRE (hereinafter – **Related Party**) means a person or entity as defined in International Accounting Standard 24 *Related Party Disclosures* in Commission Regulation (EC) No 1126/2008 of 3 November 2008 adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council.

APPLICATION

6. This Policy must be observed and followed by the Management Company, which exercises the rights and duties of the board and sole manager, when it enters into transactions with a Related Party on behalf of BRE, and by companies directly and/or indirectly controlled by BRE when they enter into transactions with a Related Party.
7. The provisions of the Policy apply to transactions of BRE with a Related Party which involve the investment, acquisition, transfer, lease, pledge, mortgage, surety or guarantee of assets, where the amount of the transaction or the total amount of multiple such transactions in a financial year exceeds 10 percent of the value of the assets on BRE's most recent balance sheet, when:
 - 7.1. they are concluded under other than normal market conditions and/or
 - 7.2. they fall outside of BRE's normal business activities.

ASSESSMENT OF RELATED PARTY TRANSACTIONS

8. Assessment and approval of a transaction with a Related Party shall be performed only if the transaction has the characteristics specified in section 7 of this Policy (hereinafter – a **Transaction**).
9. The Management Company, upon being notified by a Related Party of reasons why it could be considered related to BRE and/or having itself identified that a Transaction is being made with a Related Party, must take the actions set out in sections 10 to 14 of this Policy.
10. The Management Company, before making a Transaction with a Related Party on behalf of BRE, must obtain the approval of BRE's general meeting of shareholders with a majority of at least $\frac{3}{4}$ of the votes attached to the shares of the shareholders taking part in the meeting (the Related Party shall not participate in such a vote).
11. The Management Company shall, in regard to a Transaction with a Related Party on behalf of BRE, consult BRE's Audit Committee and provide it with information pertaining to the Transaction. BRE's Audit Committee shall, based on the information provided by the Management Company and its assessment of the Transaction, within 20

- business days of the provision of the information, prepare and submit a written opinion to the Management Company (the Investment Committee formed therein), including the following information:
- 11.1. whether the Transaction is being undertaken on market terms;
 - 11.2. whether the Transaction is fair and reasonable with regard to BRE and its shareholders who are not party to the Transaction;
 - 11.3. the assumptions, criteria and reasoning on which the opinion is based.
12. The Management Company shall promptly notify BRE's shareholders, its Advisory Committee (if formed) and the Related Party about the receipt of the written opinion of the Audit Committee specified in section 11 above. BRE's shareholders shall also be given a chance to review the opinion at the Management Company's office. At the request of a shareholder made in writing or by electronic means, the Management Company shall, within 3 business days of receipt of the request, provide a copy of the opinion to the BRE shareholder in person with a signature of receipt or by registered mail or by electronic means so long as the security of the transmitted information is ensured and the shareholder's identity can be verified.
 13. BRE's general meeting of shareholders is required to decide regarding the Transaction with a Related Party at the next general meeting of shareholders convened by the Management Company.
 14. At the latest when the Transaction with a Related Party is made, the following information should be available on BRE's website <https://bre.invl.com/en/>:
 - 14.1. how BRE is related to the other party to the Transaction;
 - 14.2. the details of the Related Party (for a legal entity, the name, legal form, registration number, registered office, and register in which the data regarding the entity is collected and stored; for a natural person, their name, surname and correspondence address);
 - 14.3. the date and value of the Transaction;
 - 14.4. other information for assessing whether the Transaction is fair and reasonable with respect to BRE and its shareholders who are not parties to the Transaction.
 15. The provisions of this Policy shall not apply to transactions on behalf of BRE:
 - 15.1. which are offered to all shareholders of BRE on the same terms;
 - 15.2. regarding remuneration to the Management Company for the management of BRE;
 - 15.3. made between BRE and companies it directly and/or indirectly controls, 100 percent of whose share capital and/or votes are directly and/or indirectly held by BRE, or made between such companies which are directly and/or indirectly controlled by BRE.
 16. BRE's transactions with a related party involving the investment, acquisition, transfer, lease, pledge and mortgage, surety or guarantee of assets, where the amount of the transaction or the total amount of multiple such transactions in a financial year exceeds 10 percent of the value of the assets of BRE on its most recent balance sheet, shall be entered into in the ordinary course of business at arm's length and shall be assessed periodically for compliance with these conditions according to the terms and conditions approved by the Management Company. Related Parties shall not participate in the assessment of transactions. Information about such transactions with the same related party during a financial year shall be additionally disclosed in BRE's annual report, specifying the parties to the transaction (for a legal entity, the name, legal form, registration number, registered office, and register in which the data regarding the entity is collected and stored; for a natural person, their name, surname and correspondence address) and the value of the transaction
 17. For Transactions between a Related Party and subsidiaries of BRE, at the latest at the time of the Transaction, information shall be posted on BRE's website <https://bre.invl.com/en/> including:
 - 17.1. information about the parties to the Transaction (for a legal entity, the name, legal form, registration number, registered office, and register in which the data regarding the entity is collected and stored; for a natural person, their name, surname and correspondence address);
 - 17.2. how BRE is related to the Related Party in the Transaction;
 - 17.3. the date and value of the Transaction;
 - 17.4. an assessment of the Audit Committee as to whether the Transaction is fair and reasonable with respect to BRE's shareholders who are not parties to the Transaction.