

UAB INVL ASSET MANAGEMENT SUPPLEMENTARY VOLUNTARY ACCUMULATION PENSION FUND PENSION FUND INVL APDAIRUS

Rules approved by

UAB Swedbank Investicijų Valdymas
Decision of the Board of 15 March 2013
Rules shall enter into force on 7 June 2013
Rules No PF-S01-K005-039(001)

AMENDMENTS

No PF-S01-K005-039(002)
UAB Swedbank Investicijų Valdymas
Decision of the Board of 30 December 2014 (Minutes No 10-1)
Amendments to the Rules shall enter into force on 5 January 2015

AMENDMENTS

No PF-S01-K005-039(003)
UAB Swedbank Investicijų Valdymas
Decision of the Board of 1 February 2017 (Minutes No 13-2)
Amendments to the Rules shall enter into force on 23 March 2017

Revised by:

UAB INVL Asset Management
Decision of the Board of 13 November 2017 (Minutes No 89)

AMENDMENTS

No PF-S01-K005-039(004)
UAB INVL Asset Management
Decision of the Board of 12 April 2018 (Minutes No 33)
Approved by Decision No 241-120 of the Bank of Lithuania of 14 May 2018

AMENDMENTS:

No PF-S01-K005-039(005)
UAB INVL Asset Management
Decision of the Board of 18 March 2019 (Minutes No 24)
Approved by Decision No 241-67 of the Bank of Lithuania of 25 March 2019

AMENDMENTS:

No PF-S01-K005-039(006)
UAB INVL Asset Management
Decision of the Board of 22 January 2020 (Minutes No 6)
Approved by Decision No 241-32 of the Bank of Lithuania of 24 February 2020

AMENDMENTS:

No PF-S01-K005-039(007)
UAB INVL Asset Management
Decision No 63 of the Board of 5 October 2020
Approved by Decision No 241-246 of the Bank of Lithuania of 26 October 2020

Amendments to the Rules shall enter into force 30 (thirty) calendar days after their approval by the Supervisory Authority.

- 1.5. **Financial derivatives** shall be as defined in the Law on Supplementary Voluntary Accumulation of Pensions;
- 1.6. **Collective investment undertaking (hereinafter also referred to as CIU)** shall be an investment fund or an investment company as defined in the Law on Collective Investment Undertakings;
- 1.7. **Pension Account** shall be the Participant's personal account opened under the Agreement in which the Fund Units that are due to him are entered on behalf of the Participant;
- 1.8. **Pension Assets (hereinafter also referred to as Fund Assets)** shall be the amount of assets acquired by the Fund in return for pension contributions (including the temporarily uninvested proportion of these funds) and investment income (expenses) derived from these assets (funds);
- 1.9. **Money market instruments** shall be as defined in the Law on Supplementary Voluntary Accumulation of Pensions;
- 1.10. **Supervisory Authority (hereinafter also referred to as the Bank of Lithuania)** shall be the Bank of Lithuania, which performs the functions of licensing and activity supervision of management companies in accordance with the procedure laid down by law;
- 1.11. **Agreement** shall be a written pension accumulation agreement concluded between the Management Company and the Participant or the person paying pension contributions on the Participant's behalf on the accumulation of pension contributions in the Fund chosen by the Participant and managed by the Management Company in accordance with the procedure laid down in the Rules;
- 1.12. **Rules** shall be these Rules of the Fund, which shall be the main document of the Fund and shall form an integral part of the Agreement;
- 1.13. **Management Company** shall be UAB INVL Asset Management (legal entity code 126263073, registered office at Gynėjų g. 14, 01109 Vilnius, VAT identification number LT100001948717, Licence No VJK-005 to engage in pension accumulation activities issued by the Securities Commission);
- 1.14. **Securities** shall be any securities (equity securities, non-equity securities, transferable securities);

2. For the purpose of these Rules, all other definitions shall be construed in accordance with the legal acts governing pension accumulation activities.
3. Relations which are not covered by the Rules shall be regulated in accordance with the procedure laid down by the legal acts of the Republic of Lithuania.

The investment strategy and diversification requirements of the Pension Fund are described in Annex 1 to the Rules and form an integral part of the Rules.

II. CONDITIONS AND PROCEDURE FOR JOINING THE FUND, PARTICIPATION IN THE FUND AND LEAVING THE FUND

4. A person wishing to become a Participant of the Fund must conclude the Agreement with the Management Company.
5. A person will become a Participant as of the entry into force of the Agreement. The Agreement shall enter into force as of the date on which the first contribution is paid into the Pension Account.
6. The participation in the Pension Fund is terminated when:
 - 6.1. the Management Company fulfils its liabilities to the Participant of the Fund;

I. DEFINITIONS AND ABBREVIATIONS USED FOR THE PURPOSE OF THESE RULES

1. For the purpose of these Rules:
 - 1.1. **Participant** shall be a natural person who has chosen to accumulate pension contributions in the Management Company in accordance with the Law of the Republic of Lithuania on Supplementary Voluntary Accumulation of Pensions (hereinafter referred to as the Law on Supplementary Voluntary Accumulation of Pensions) and who has concluded an agreement with the Management Company on the accumulation of pension contributions in accordance with the procedure laid down in the Rules, on whose behalf pension contributions are paid and in whose name the personal Pension Account is opened;
 - 1.2. **Fund** shall be a supplementary voluntary accumulation pension fund INVL III Equity the assets of which are owned by the Participants through joint fractional ownership, where the management of such assets has been transferred to the Management Company of the Fund and assets are invested in accordance with these Rules;
 - 1.3. **Fund Unit** shall be a notional measure of the value of the Pension Assets owned by the Participant of the Fund;
 - 1.4. **Financial instrument (hereinafter also referred to as FI)** shall be as defined in the Law on Supplementary Voluntary Accumulation of Pensions;

- 6.2. the Participant terminates the Agreement without transferring to another pension fund in accordance with the procedure laid down in Chapter VIII of the Rules;
- 6.3. the Participant transfers to another pension fund of the Management Company in accordance with the procedure laid down in Chapter IX of the Rules;
- 6.4. the Participant transfers to a pension fund of another pension accumulation company in accordance with the procedure laid down in Chapter IX of the Rules;
- 6.5. the Participant dies;
- 6.6. the Fund is liquidated in accordance with the procedure laid down by the legal acts of the Republic of Lithuania;
- 6.7. the Fund is joined to another pension fund or merged with another pension fund.
7. The termination or other breach of payment of pension contributions shall not give rise to the termination of the Agreement or to a restriction of the Participant's ownership of the Fund Assets.
8. The Participant shall have the right to unilaterally terminate the Agreement in accordance with the procedure laid down by the legal acts and these Rules.
9. The Management Company, shareholders or the payer of pension contributions shall be prohibited from restricting, whether directly or indirectly, the right of the Fund Participant to terminate the Agreement.

III. RIGHTS AND OBLIGATIONS OF THE CONTRACTING PARTIES

Rights and obligations of the Participant of the Fund

10. The Participant shall have the right to:
 - 10.1. terminate the Agreement concluded with the Management Company on the grounds specified in the Law on Supplementary Voluntary Accumulation of Pensions and in the Rules;
 - 10.2. transfer to another supplementary voluntary accumulation pension fund managed by the Management Company;
 - 10.3. terminate the Agreement concluded with the Management Company and to conclude a supplementary voluntary pension accumulation agreement with another management company;
 - 10.4. receive information from the Management Company about the Fund Units entered into the Participant's Pension Account and their value, asset investment strategy and the return on investment resulting therefrom, the opinion of the Management Company and the auditor of the Fund, and other information specified in the Law on Supplementary Voluntary Accumulation of Pensions;
 - 10.5. receive part of the funds accumulated in the Fund without terminating the Agreement;
 - 10.6. receive the pension benefit with respect to the amount of pension assets accumulated in the Participant's name in accordance with the procedure laid down in Chapter VI of the Rules;
 - 10.7. postpone the start of payment of the pension benefit and the manner in which it is paid in accordance with the procedure laid down in Chapter VI of the Rules;
 - 10.8. bequeath the part of the Pension Assets that the Participant owns;
 - 10.9. appeal against the actions of the Management Company in accordance with the procedure laid down by the legal acts of the Republic of Lithuania;
 - 10.10. perform the actions specified in the Rules using electronic means of communication specified by the Management Company. In such case, any action taken by the Participant in accordance with the Rules, using electronic means of communication provided for in this paragraph, shall be equivalent to documents in writing and shall have the same legal effect as written (hard copy) documents;
 - 10.11. exercise other rights specified in the legal acts of the Republic of Lithuania, the Rules and the Agreement.
11. The Participant shall:
 - 11.1. notify the Management Company within 30 (thirty) calendar days after the change of personal data (forename, surname, personal number, place of residence, telephone number, e-mail, etc.) provided to the Management Company and/or specified in the Agreement;
 - 11.2. carefully protect and not disclose to third parties any data and tools used by the Participant to log in to the electronic services systems of the Management Company and inform

the Management Company without delay of any loss, breach of confidentiality or disclosure of such tools. The Participant in breach of the aforesaid undertaking shall be fully liable for all consequences arising therefrom;

- 11.3. fulfil other obligations laid down in the Rules and in the legal acts of the Republic of Lithuania.
12. The Participant shall be liable for the correctness of information provided to the Management Company, including any information he provides that is necessary for the deduction and payment of personal income or other taxes due under the legal acts of the Republic of Lithuania in accordance with the procedure laid down by the legal acts of the Republic of Lithuania.

Rights and obligations of the Management Company

13. The Management Company shall:
 - 13.1. act in good faith, fairly and professionally at the best conditions for and in the best interests of the Fund and its Participants, and ensure the integrity of the market;
 - 13.2. act diligently, professionally and with care;
 - 13.3. have in place and apply the tools and procedures that are necessary for the operations;
 - 13.4. use, manage and dispose of Pension Assets on a trust basis and separate them from other managed pension funds and from their own assets;
 - 13.5. avoid conflicts of interest and, where they cannot be avoided, ensure that the Participants are treated fairly;
 - 13.6. ensure that the Participants of Fund participate in the Fund on equal terms;
 - 13.7. ensure that persons who adopt decisions on the management of Pension Assets have adequate qualifications, work experience and good repute;
 - 13.8. invest Pension Assets in strict compliance with the investment strategy and diversification requirements set out in Annex 1 to the Rules and take active measures to correct the situation in the event of market fluctuations or other circumstances beyond the control of the Management Company;
 - 13.9. open a personal Pension Account for each Participant who concludes an Agreement with the Management Company;
 - 13.10. provide the Participant with mandatory notices referred to in Chapter XII and specified in other legal acts of the Republic of Lithuania in accordance with the procedure, conditions and time limits laid down by the legal acts of the Republic of Lithuania;
 - 13.11. inform the Participants, 3 months before reaching retirement age, of the possibility of receiving the pension benefit or of postponing the start of payment of the benefit;
 - 13.12. ensure that periodic reports and the Rules are made available to the Participant at his request, also shall ensure that the Participant is provided with correct and comprehensive information on the amount of assets accumulated in the Participant's Pension Account and the payment of contributions, the opinion of the Management Company and the auditor of the Pension Fund, the choice of investment options, the risks and costs associated with the investment and other information specified in the legal acts;
 - 13.13. provide information on the website of the Management Company at www.invl.com of any changes in deductions or changes to the minimum level of pension contributions resulting from a decision of the Board of the Management Company;
 - 13.14. ensure the protection of the personal data of the Participants of the Fund established by Lithuanian and European Union legislation, protect personal data against accidental or unlawful destruction or accidental loss, alteration, unauthorised disclosure or communication;
 - 13.15. use, manage and dispose of the Fund Assets on a trust basis;
 - 13.16. deduct and pay taxes due under the legal acts of the Republic of Lithuania on the basis of information provided by the Participant;
 - 13.17. the Management Company shall have other obligations as provided for by the legal acts.
14. The Management Company shall have the right to:
 - 14.1. Demand that the Participant fulfils his obligations laid down in the Rules and the undertakings under the Agreement in a timely and appropriate manner;
 - 14.2. make the deductions provided for in Chapter XI of the Rules;

- 14.3. invest the assets of the Fund in collective investment undertakings under its management (in which case management, performance, contribution and conversion fees may not be deducted from the invested Fund Assets) and in securities of companies affiliated to the Management Company or to its parent company, in accordance with the requirements for the management of conflicts of interest laid down by the legal acts of the Republic of Lithuania;
- 14.4. delegate part of its functions relating to the management of the Fund to another person entitled to provide similar services in accordance with the procedure laid down by the legal acts of the Republic of Lithuania;
- 14.5. unilaterally terminate the Agreement if the Fund is liquidated in accordance with the procedure laid down in the Law on Supplementary Voluntary Accumulation of Pensions as a result of the general decision of shareholders of the Management Company to liquidate or reorganise the Management Company;
- 14.6. not enter into the Agreement with a person who is not entitled to become a participant of the pension accumulation scheme in accordance with the procedure laid down by the legal acts of the Republic of Lithuania;
- 14.7. exercise other rights specified in the legal acts of the Republic of Lithuania.

IV. METHODS AND PROCEDURE FOR PAYMENT OF PENSION CONTRIBUTIONS

15. Pension contributions may be paid on a periodic and/or a non-periodic basis, in accordance with the procedure and time limits laid down in the Agreement.
16. Pension contributions shall be paid exclusively in cash into the Fund Account referred to in the Agreement. Pension contributions shall be paid only in EUR.
17. The first pension contribution must be paid within 6 (six) calendar months from the date of signature of the Agreement.
18. The suspension, termination or other breach of payment of pension contributions shall not give rise to the termination of the Agreement or to a restriction of the Participant's ownership of part of the Pension Assets.
19. The Participant or, as the case may be, the payer of pension contributions shall have the right to instruct the Management Company to debit the chosen pension contribution from the account of the Participant or, as the case may be, from the account of the payer of pension contributions account by providing the bank with direct debit or electronic payment orders to credit the pension contribution to the Fund Account specified in the Agreement.
20. Where pension contributions are paid not by the Participant himself, such pension contributions shall become the property of the Participant from the moment the pension contributions converted into the Fund Units are credited to the Pensions Account of the Participant.
21. Pension contributions may not be paid on behalf of the Participant who has concluded a pension benefit agreement.

V. PROCEDURE FOR OPENING, MANAGEMENT AND CLOSING PENSION ACCOUNTS AND KEEPING ACCOUNTS FOR FUND UNITS

22. The Management Company shall open, manage and close Pension Accounts of the Participants and shall keep accounts for Fund Units in accordance with the requirements of the legal acts.
23. A personal Pension Account shall be opened for the Participant after the conclusion of the Agreement. Information about Pension Accounts shall be confidential. Such information may be disclosed only to the Participant himself or to a person duly authorised by the Participant, to public authorities which require it for the performance of their functions and where the legal acts of the Republic of Lithuania that govern the activities of such public authorities provide for the right to obtain such information, also in other cases provided for in the legal acts of the Republic of Lithuania.
24. Fund Units are recorded by entering them in the Participant's personal Pension Account. Entries in the Participant's personal Pension Account can be made without the Participant's consent only in cases provided for by the legal acts of the Republic of Lithuania, also in the event of correcting errors.
25. Entries in the Pension Accounts representing an increase in the number of Fund Units belonging to the Participant shall be made

at the value of the Fund Units at the date on which the Participant became entitled to the corresponding increase in the number of Fund Units.

26. The Participant's Pension Account shall be closed on the grounds set out in paragraph 6 of the Rules.
27. Pension contributions of the Participant of the Fund, as well as monetary assets transferred from another fund of the Management Company or from a fund of another management company, shall be converted into Fund Units which are entered in the Participant's Pension Account in accordance with the procedure laid down in Chapter VII of the Rules.

VI. METHODS AND PROCEDURE FOR PAYMENT OF PENSION BENEFITS FROM THE FUND

Payment of part of monetary assets accumulated in the Fund without terminating the pension accumulation agreement

28. The Participant of the Fund shall have the right to withdraw part of monetary assets accumulated in the Fund without terminating the Agreement by filling in a written application in the form prescribed by the Management Company.
29. The Participant of the Fund shall have the right to withdraw part of monetary assets accumulated in the Fund by leaving at least 1 (one) Fund Unit remaining in his Pension Account.
30. Fund Units shall be converted into money on the basis of a written request of the Participant of the Fund in accordance with the procedure and within the time limits set out in paragraphs 51 and 52 of the Rules.

Acquisition of the right to pension benefits

31. The right to pension benefits is acquired when the Participant of the Fund reaches an age that is 5 (five) years lower than the retirement age for the state social insurance old age pension.
32. The Participant of the Fund who has been declared incapacitated or partially able-bodied by the Disability and Working Capacity Assessment Office under the Ministry of Social Security and Labour (until 1 July 2005 declared as a disabled person of 1st or 2nd group by the State Medical and Social Expert Examination Commission) shall be entitled to pension benefits from the working capacity assessment date (or from the disability certification date).
33. The Participant who acquired the right to the pension benefit shall be entitled to postpone the start of payment of the pension benefits. Such person shall remain a participant of the pension accumulation scheme during the postponement of that period. If the Participant does not contact the Management Company in writing for the payment of the pension benefit, the Participant shall be deemed to have exercised the right to postpone the start of payment of the benefit.

Methods of payment of pension benefits and choice thereof

34. By the choice of the Participant of the Fund who has reached the age specified in paragraph 31 of these Rules, or upon the occurrence of a legal fact specified in paragraph 32 of these Rules, pension benefits may be paid in the following ways:
 - 34.1. by a single payment (a lump-sum pension benefit);
 - 34.2. periodic pension benefit paid in regular instalments (by converting Fund Units entered in the Pension Account into money and paying them on a regular basis);
 - 34.3. By purchasing the annuity from a life insurance company that provides life insurance.
35. When contacting the Management Company regarding the pension benefit, the Participant must provide the Management Company with a written application in the prescribed form, a personal identification document and, in the case referred to in paragraph 32 of these Rules, a document certifying that the Participant has been declared incapacitated or partially able-bodied.
36. The Participant shall have the right to choose any of the methods of payment of the pension benefit provided for in paragraph 34 of these Rules. The Management Company must notify the Participant of the need to choose the method of payment of the pension benefit not later than before the conclusion of the pension benefit agreement with the Participant.
37. If the Participant chooses the method of payment of the pension benefit provided for in sub-paragraph 34.3 of these Rules, the annuity shall be purchased from the insurance company selected by the Participant, which provides life insurance, for the sums that

are calculated in the Participant's Pension Account. The pension annuity shall be acquired after the Participant signs the annuity agreement with the payer of the pension annuity. Only an insurance company that provides life insurance can be the payer of the pension annuity.

Procedure for payment of the pension benefit

38. Pension benefits referred to in paragraph 34 of the Rules shall be paid to the Participant upon the conclusion of a written pension benefit agreement between the Participant and the Management Company.
39. A pension benefit agreement shall be concluded when the Participant submits to the Management Company all the documents provided for in paragraph 35 of the Rules.
40. Payment of pension benefits shall start from the date specified in the pension benefit agreement, but no later than 30 calendar days from the date of the Participant's application and submission of the documents proving the Participant's entitlement to pension benefits to the Management Company.
41. The Management Company shall be responsible for the timely and due payment of pension benefits paid in the manner provided for in sub-paragraphs 34.1 and 34.2 of the Rules in accordance with the conditions laid down in the pension benefit agreement.
42. Pension contributions may not be paid to the same Fund on behalf of the Participant who has concluded a pension benefit agreement. Pension Assets arising from monetary assets transferred to the Fund on behalf of the Participant following the conclusion of the pension benefit agreement with the Participant must be paid out to the Participant (if pension benefits have already been paid) in accordance with the procedure laid down in the pension benefit agreement, no later than 5 working days after receipt of these monetary assets, or must be added to the pension benefits payable (if not already paid out).
43. After the conclusion of the pension benefit agreement, the pension assets belonging to the Participant shall remain in the Participant's account until disbursement.
44. The lump-sum or periodic pension benefits payable by the Management Company that have not been paid as a result of the death of the Participant shall be paid to the heirs of the Participant in accordance with the procedure laid down in the Civil Code of the Republic of Lithuania.

VII. PROCEDURE FOR CONVERTING PENSION CONTRIBUTIONS INTO FUND UNITS OR CONVERTING FUND UNITS INTO MONEY AND MONEY PAYOUT

Conversion of monetary assets into Fund Units

45. Received pension contributions, as well as monetary assets transferred from another fund of the Management Company or from a fund of another management company, shall be converted into Fund Units or their fractions which shall be entered in the Participant's Pension Account.
46. In the case of transfers of monetary assets from another fund of the Management Company or from a fund of another management company, no deduction shall apply with respect to the amount of transferred monetary assets.
47. Money shall be converted into Fund Units on the working day following the date the monetary assets are received in the Fund Account. Pension contributions credited to the Fund Account on a non-working day shall be deemed to have been received on the first working day following the credit of money.
48. Money shall be converted into Fund Units at the value of the Fund Unit at the date money is received in the Fund (the value of Fund Units (fractions thereof) shall be calculated in accordance with the procedure laid down in Chapter X of the Rules.)

Conversion of Fund Units into monetary assets

49. Having concluded a pension benefit agreement with the Participant, the Management Company shall convert Fund Units entered in the Pension Account into money at the value of the units at the date of the pension benefit agreement on the next working day, in accordance with the procedure laid down in Chapter VII of the Rules.
50. From the date of conversion of the Fund Units into money referred to in paragraph 49, no deductions provided for in the Rules shall be made from the pension account unless otherwise provided for in the legal acts of the Republic of Lithuania.

51. Where in cases provided for in the Rules or the legal acts of the Republic of Lithuania the monetary funds accumulated by the Participant are to be paid or transferred in whole or in part, the Management Company shall, having received a written application in the prescribed form or relevant documents, convert the Fund Units entered in the Participant's Pensions Account into monetary assets on the following working day, at the value of the Fund Units at the date of receipt of the document, and shall transfer such monetary assets to the account specified in the application no later than within 7 working days, after deduction of taxes due under the legal acts of the Republic of Lithuania, if applicable.
52. The amount resulting from the conversion of the Fund Units shall be rounded up to two decimal places in accordance with mathematical rounding rules.

VIII. CONDITIONS AND PROCEDURES FOR THE CONCLUSION, AMENDMENT AND TERMINATION OF AGREEMENTS

53. The Agreement shall be concluded in writing between the Participant and the Management Company or a person duly authorised by it. Prior to the conclusion of the Agreement, the Participant shall be notified of the Rules which form an integral part of the Agreement.
54. Any action provided for in this Chapter that the Participant performs in accordance with the rules and procedures laid down by the Management Company by using the means of access to its personal electronic account in the information system administered by the Management Company, which are provided to the Participant by the Management Company in accordance with the procedure laid down in the Agreement, shall be treated as performed in a written (hard copy) form and shall have the same legal effect as a written (hard copy) document. The certification of the Agreement or any other document referred to in this Chapter in the personal electronic space of the Participant or its signature through electronic channels by means of passwords, codes and/or other means of identification provided to the Participant shall be understood as the physical signature of the document.
55. If the Management Company makes this possible, the Agreement may be concluded online, and the Participant's copy of the Agreement as well as the Rules shall be provided electronically. In this case, the Agreement shall be signed by the parties by means of an electronic signature corresponding to the requirements of the legal acts for an electronic signature and shall have the same legal effect as if the Agreement has been physically signed.
56. If the Participant fails to pay the first pension contribution within the time limit specified in paragraph 17 of the Rules, the Participant's Agreement shall be deemed not to have entered into force and the Pension Account opened in the name of the Participant shall be closed.
57. The Agreement shall be amended in accordance with the procedure laid down therein. Should any personal information of the Participant (forename, surname, personal number, place of residence, telephone number, e-mail) provided in the Agreement change, a written notice by the Participant of the change of data shall be annexed to the Agreement and no additional Annex to the Agreement shall be drawn up.
58. In the context of the amendment of the Rules, the standard form of the Agreement shall be amended at the same time (without a separate agreement).
59. The Agreement shall expire in the cases provided for in paragraph 6 of the Rules.
60. The Participant shall have the right to leave the Fund at any time. In this case, the Participant shall give a written notice of termination of the Agreement to the Management Company. Fund Units shall be converted into monetary assets, and monetary assets belonging to the Participant shall be transferred in accordance with the procedure laid down in Chapter VII of the Rules.
61. In the event of the termination of the pension accumulation agreement without transferring to another pension fund, the Management Company shall not make any deductions from the monetary assets belonging to the Participant, except for the taxes due under the legal acts of the Republic of Lithuania.
62. The Management Company, its shareholders and other persons shall be prohibited from restricting, whether directly or indirectly, the Participant's right to terminate the pension accumulation agreement without transferring to another pension fund.

63. The Management Company shall have no right to terminate the Agreement without the consent of the Participant, except in cases provided for in the legal acts of the Republic of Lithuania.

IX. PROCEDURE FOR TRANSFERRING TO ANOTHER FUND OF THE MANAGEMENT COMPANY OR TO A FUND OF ANOTHER MANAGEMENT COMPANY

Transfer of the Participant to another fund of the Management Company

64. The Participant shall have the right to transfer to another pension fund of the Management Company by submitting an application to the Management Company in the prescribed form and by concluding a new Agreement.
65. When transferring to another pension fund managed by the Management Company, the Agreement shall be terminated and a new agreement shall be concluded between the same Parties. Within 1 (one) working day of the conclusion of a new agreement, the Management Company shall convert Fund Units into money at the value of the Fund Units at the date of the conclusion of the agreement and shall transfer them to the pension fund of the Management Company chosen by the Participant not later than within 7 working days.
66. The Participant's transfer to another pension fund of the Management Company shall take place as provided for in these Rules and in the rules of the pension fund to which the Participant transfers.
67. The Participant shall have the right to transfer to another pension fund of the Management Company without making any deductions from monetary assets belonging to the Participant. This right of the Participant shall not be limited by the number or period of transfers.

Transfer of the Participant to a fund of another management company

68. The Participant shall have the right to transfer to a supplementary voluntary accumulation pension fund managed by another management company by providing the Management Company with a written application in the prescribed form and a copy of the agreement concluded with the accepting management company.
69. On receipt of the documents listed in paragraph 68 of the Rules, the Management Company shall convert Fund Units entered in the Participant's Pension Account into monetary assets on the following working day, at the value of the Fund Units at the date of receipt of the documents, and shall transfer them to the account of the pension fund of another management company no later than within 7 working days.
70. The Participant's transfer to a pension fund of another management company shall take place according to the conditions specified in these Rules and in the rules of the fund of another management company to which the Participant transfers.
71. The Management Company, its shareholders and other persons shall be prohibited from restricting, whether directly or indirectly, the Participant's right to transfer to a pension fund of another management company.

X. RULES FOR THE CALCULATION OF THE NET ASSET VALUE AND THE CALCULATION OF THE VALUE OF FUND UNITS, AND PUBLICATION PROCEDURE

72. The net asset value (NAV) of the Fund shall be calculated by deducting current and non-current financial liabilities from the value of the Fund Assets.
73. The value of the Fund Unit shall be determined by dividing NAV by the total number of Fund Units in circulation.
74. The initial value of the Fund Unit shall be EUR 0.2896.
75. The value of the Fund Unit shall be calculated to four decimal places and rounded according to mathematical rounding rules.
76. The value of the Fund Unit for the preceding day shall be calculated each working day and shall be published on the current working day by 5 p.m. at the latest on website www.invl.com.
77. Net assets of the Fund shall be valued in EUR. The value in EUR of net assets of the Fund, which are not denominated in EUR, shall be determined in accordance with the Accounting Law of the Republic of Lithuania and the Fund Accounting Policy approved by the Management Company.
78. Net assets of the Fund shall be valued at their fair value in accordance with the procedure laid down by the legal acts of the Republic of Lithuania and in accordance with the procedures for

calculating net assets approved by the Management Company. The valuation of net assets shall be based on the following principles:

- 78.1. The fair value of financial instruments traded on regulated markets shall be determined on the basis of the publicly available closing price of that instrument or, in the absence of a closing price, on the basis of the publicly available average market price, of the regulated market and/or multilateral trading facility in which the trading of those instruments has a higher liquidity, regularity and frequency, except in cases specified in the Net Asset Calculation Methodology approved by the Bank of Lithuania;
- 78.2. The fair value of financial instruments not traded on regulated markets shall be determined in accordance with the procedures approved by the management company for the calculation of net assets;
- 78.3. Units (shares) of collective investment undertakings shall be valued on the basis of NAV determined by the collective investment undertaking or the latest publicly available redemption price;
- 78.4. Term deposits in banks shall be valued at amortised cost;
- 78.5. Cash and funds at credit institutions other than term deposits shall be valued at nominal value;
- 78.6. Other assets shall be valued at the most likely sale price determined on the basis of a chosen valuation model that is generally applicable and recognised in the financial market.

XI. METHODOLOGY OF CALCULATING APPLICABLE DEDUCTIONS, AMOUNT AND PAYMENT PROCEDURE

Deductions by the management company

79. The maximum deductions by the Management Company are provided in the table below*:

No	Name	Percentage
79.1	Deductions for the management of the Fund (annual, based on the average annual net asset value of the Fund)	1.50%
79.2.	Deductions for the withdrawal of part of the monetary assets accumulated in the Fund without terminating the Agreement (based on the amount of withdrawn monetary assets):	
79.2.1.	Where part of the monetary assets accumulated in the Fund is withdrawn not more than once every two calendar years	0.00%
79.2.2.	Where part of the monetary assets accumulated in the Fund is withdrawn less than two calendar years after the last withdrawal of monetary assets.	10.00%
	* The table shows the maximum amounts of deductions which may not be exceeded, but may also be lower. The specific amounts of deductions shall be determined by a decision of the board of the Management Company, which is authorised to unilaterally increase or reduce the amounts of deductions within the limits of the maximum deductions, and shall be made available by the Management Company on its website at www.invl.com at least 5 days before the changes take effect.	

80. The Management Company shall keep documents substantiating the calculation of deductions by the Management Company.
81. Deductions for the management of the Fund (remuneration of the Management Company) shall be calculated on an accrual basis each working day based on the average annual net asset value of the Fund, in accordance with the principle of concomitance. The remuneration of the Management Company shall be paid monthly by the 10th (tenth) day of the following month.
82. Deductions from the withdrawn part of the monetary assets accumulated in the Fund without terminating the Agreement, where part of the monetary assets accumulated in the Fund is withdrawn less than two calendar years after the last withdrawal of monetary assets, shall not apply to the Participant who has acquired the right to the pension benefit in accordance with the procedure laid down in Chapter VI of the Rules.

Remuneration of the depository

83. Total remuneration of the Depository for provided contractual services shall not exceed 0.15% of the average annual net asset value of the Fund. Remuneration of the Depository shall be paid in

accordance with the procedures and time limits laid down in the agreement for the provision of services.

84. Remuneration of the Depository shall be calculated on an accrual basis each working day, in accordance with the principle of concomitance.

Other expenses

85. The Fund shall cover the following expenses:
 - 85.1. Remuneration of securities trade intermediaries for purchase, sale, other transactions and/or actions performed in relation to securities constituting the assets of the Fund and/or acquired by the Fund;
 - 85.2. Currency exchange and cash transfer costs related to the investment of the Fund Assets, as well as expenses related to the provision of the Participant with the service of direct debit, electronic account order or contribution payment cards, similar payment instruments or payment systems;
 - 85.3. Expenses related to the provision of audit services;
 - 85.4. Expenses related to the provision of legal services, which in total can amount to the maximum of 0.5% of the average annual net asset value of the Fund.
86. The sum of deductions provided for in paragraph 85 of these Rules may not exceed 0.5% of the average annual net asset value of the Fund.
87. Any other expenses not provided for in these Rules or exceeding the set limits shall be borne at the expense of the Management Company.

XII. PROCEDURE FOR PROVIDING INFORMATION

88. The Participant can obtain basic information about his Pension Account through access to the electronic system administered by the Management Company, which has been made available to the Participant.
89. The Management Company shall provide the Participant with an annual report on his Pension Account no later than 4 (four) months after the end of the calendar year. The report shall be made available in the account of the Participant's personal pension account through the online pension account system and in the manner agreed in the Agreement or subsequently chosen by the Participant in accordance with the procedure laid down in the Agreement. The annual report shall include information on the amount of the Participant's pension contributions that were paid (specifying the payer or payers of such contributions), the amount of pension assets calculated in his personal Pension Account (number and value of Fund Units entered in the pension account), the annual return on investment of the Fund, the amount of the deducted fees.
90. Information on changes in the registered office, telephone, fax numbers, e-mail, website and bank account number of the Management Company can be found on the website of the Management Company at www.invl.com.
91. Any amendment to the Rules shall be communicated to all Participants in writing or by e-mail at least 20 calendar days before the amendments enter into force.
92. Each day Participants shall have access to a description of the investment risks, the rules of the Fund, periodic reports and financial statements, audit reports, deductions from Pension Assets and deduction amounts, and other information available at www.invl.com.
93. The Participant shall have the right to obtain copies of the periodic financial statements of the Fund, the Rules and other documents referred to in the Rules free of charge upon request to the Management Company.
94. Any other notice which the Management Company is required to provide to the Participant personally in accordance with the requirements laid down by the legal acts of the Republic of Lithuania shall be provided in the manner agreed in the Agreement.
95. If the Management Company fails to deliver the notice to the Participant in the manner agreed in the Agreement or subsequently chosen by the Participant in accordance with the Agreement, the notice shall be made available in the account of the Participant's personal pension account through the online pension account system, and such notice shall not be repeated unless a written request has been received from the Participant.
96. All other information and/or notices not covered by this part of the Rules shall be made available on the website at www.invl.com.

XIII. DEPOSITORY

97. Details of the Depository which the custodian of the assets of the pension fund:
98. AB SEB Bankas, Gedimino pr. 12, LT-01103 Vilnius.
99. The Depository shall:
 - 99.1. act for the benefit of the Participants of the Fund;
 - 99.2. ensure that the value of Fund Units is calculated in accordance with the requirements of the legal acts of Lithuania and the Rules;
 - 99.3. comply with the instructions of the Management Company, provided that they do not conflict with the requirements of the legal acts of Lithuania and the Rules;
 - 99.4. ensure that the Fund Assets are used in accordance with the requirements of the legal acts of Lithuania and the Rules;
 - 99.5. ensure that the conversion of monetary assets and Fund Units is carried out in accordance with the requirements of the legal acts of Lithuania and the Rules;
 - 99.6. notify the Bank of Lithuania and the board of the Management Company in writing of any observed infringements of the legal acts of Lithuania and/or the Rules;
 - 99.7. provide the Management Company with all documents necessary for drawing up the financial statements;
 - 99.8. fulfil other obligations laid down by the legal acts of Lithuania and in the agreement concluded with the Management Company.
100. The Depository shall be liable for damage caused to the Participants and/or to the Management Company as a result of the failure to perform or improper performance of its obligations.
101. In the cases and in accordance with the procedure laid down by the legal acts of Lithuania, in the event of termination or suspension of the licence of the Management Company, the Depository shall temporarily take over the rights and obligations arising from the Agreements. The Depository must transfer the management of the Fund Assets to another management company within 3 (three) months from the date of the takeover of the rights and obligations arising from the Agreements. If the rights and obligations arising from the Agreements are not transferred to another management company within 3 (three) months, the Fund shall be liquidated and the Fund Assets shall be divided among the Participants by a decision of the board of the Depository in accordance with the procedure laid down in the legal acts of Lithuania.
102. The Depository cannot at the same time conduct the activity of the Management Company, except in the case specified in paragraph 100 of the Rules. The Depository shall have the right to delegate its functions or part thereof to other depositories, but this does not release it from its liability.
103. The Management company may change the depository only if the Bank of Lithuania issued the permit for that or on the instructions of the Bank of Lithuania.

XIV. PROCEDURE FOR AMENDING AND/OR SUPPLEMENTING THE RULES

104. Amendments and/or supplements to the Rules shall be approved by the board of the Management Company. Amendments and/or supplements to the Rules shall be deemed to have been adopted once they have been approved by the Bank of Lithuania.
105. The Management Company may unilaterally amend the Rules in the following cases:
 - 105.1. in the event of any changes in the laws and regulations that govern pension accumulation activities;
 - 105.2. in the event of any changes in the investment strategy of the Fund;
 - 105.3. in the event of any changes in the management principles of Funds;
 - 105.4. in the event of a change of the depository and/or its obligations;
 - 105.5. in cases other than those referred to in this paragraph, provided that the amendments to the Rules do not adversely affect the situation of the Participants in relation to that which existed before the amendment of the Rules;
 - 105.6. in other cases provided for by the legal acts of the Republic of Lithuania.
106. The Management Company must inform each Participant, in the manner chosen by the Participant, of any amendment to the Rules at least 20 (twenty) days before the amendments enter into force, subject to the exceptions provided for in the legal acts of the

Republic of Lithuania. Amendments to the Rules shall enter into force 30 (thirty) calendar days after their approval by the Bank of Lithuania.

107. Amendments to the Rules shall apply to all Participants.
108. If the Rules are amended in accordance with the procedure laid down by the legal acts and the Rules, the relevant provisions of the pension accumulation agreement shall be deemed to have been amended without a separate agreement between the parties.

XV. CONDITIONS AND PROCEDURE FOR THE LIQUIDATION OF THE FUND. PROCEDURE FOR THE TRANSFER OF ASSETS OF THE LIQUIDATED FUND

109. The Fund may be liquidated:
 - 109.1. by a decision of the board of the Management Company;
 - 109.2. by a court decision.
110. The Fund may be liquidated by a decision of the board of the Management Company subject to prior authorisation by the Bank of Lithuania and if at least one of the following conditions is present:
 - 110.1. the Management Company has fulfilled all its liabilities to the Participants;
 - 110.2. all Participants transfer to another pension fund (Chapter XVII of the Rules shall apply to the transfer of the Fund Assets);
 - 110.3. the Management Company is liquidated or reorganised.
111. The Management Company shall notify the Participants and the Bank of Lithuania of its decision to liquidate the Fund and publish such decision on its website at www.invl.com no later than 5 (five) working days from the date of adoption of the decision.
112. The Fund shall be deemed to have been liquidated when the Rules of the Fund are repealed by the Bank of Lithuania and, in the case stated in sub-paragraph 109.3, on the date on which the court decision becomes final.

XVI. PROCEDURE FOR MERGING THE FUND

113. The merger of the Fund shall be carried out in accordance with the procedure laid down by the legal acts of the Republic of Lithuania, subject to prior authorisation by the Bank of Lithuania.
114. Information on the planned merger of pension funds shall be provided by the Management Company to the participants of the merging pension funds upon obtaining the authorisation of the Bank of Lithuania, within the time limits laid down by the legal acts of the Republic of Lithuania.

XVII. CASES AND PROCEDURE FOR TRANSFERRING THE MANAGEMENT OF THE FUND AND CONTRACTUAL LIABILITIES TO ANOTHER PENSION ACCUMULATION COMPANY

115. The Management Company shall have the right to transfer the rights and obligations arising from the Agreements to another pension accumulation company only upon obtaining the authorisation of the Bank of Lithuania.
116. The Management Company shall transfer the rights and obligations arising from the Agreements to another pension accumulation company in the following cases:
 - 116.1. following a court decision to liquidate the Management Company;
 - 116.2. before initiating voluntary liquidation proceedings;
 - 116.3. where bankruptcy proceedings have been initiated against the Management Company;
 - 116.4. where it is obligated to do so by the Bank of Lithuania;
 - 116.5. termination or suspension of the operating licence of the Management Company.
117. The Bank of Lithuania shall lay down the procedure for the transfer of rights and obligations under the Agreements to another pension accumulation company.
118. Prior to the transfer of the aforesaid rights and obligations, the Participant shall have the right to transfer to another pension fund of the Management Company or to a pension fund of another management company of his choice, without any deductions, within 3 (three) months from the date on which the intention of the Management Company to transfer the rights and obligations arising from the Agreements has been communicated to him. If within the period specified in this paragraph the Participant fails to conclude another pension accumulation agreement, such

Participant and the monetary assets owned by him shall be transferred to another pension fund without any deductions, in accordance with the procedure laid down by law.

119. The transfer of rights and obligations arising from the Agreements shall also include the transfer of pension assets.

XVIII. BENCHMARK OF THE FUND

120. The Pension Fund shall have a benchmark.
121. The benchmark of the Pension Fund shall be chosen so as to reflect the investment strategy set out in the Rules and the strategic allocation of the Fund's investments as closely as possible.
122. When announcing the financial performance results of the Pension Fund, the Management Company shall compare them with the benchmark of the Pension Fund according to the provisions set out by the Bank of Lithuania.
123. Information on the benchmark of the Pension Fund and its composition shall be made available on the website of the Management Company at www.invl.com and in the annual financial statement of the Pension Fund.

XIX. FINAL PROVISIONS

124. In the event of discrepancies between the Rules and the legal acts of the Republic of Lithuania, the provisions of the legal acts of the Republic of Lithuania shall apply.

INVESTMENT STRATEGY OF THE FUND

Investment strategy of the Pension Fund:

The Fund invests into equity securities/shares, debt securities/bonds and units/shares of collective investment undertakings with equity and debt securities as well as real estate as their main investment focus. The fund will aim to invest in all the aforesaid instruments in similar proportions; however, under appropriate market conditions, up to 70% of the net assets of the fund may be invested in equity securities or equity collective investment undertakings.

1. **Monetary assets of the Fund shall only be invested in:**
 - 1.1. Pension Assets shall be invested in securities and money market instruments which:
 - 1.1.1. are admitted to trading on a market deemed to be regulated in accordance with the Law of the Republic of Lithuania on Markets in Financial Instruments and operating in the Republic of Lithuania or in another Member State, and/or
 - 1.1.2. are admitted to trading in another country (other than Member States) on a market which operates, is recognised, supervised and accessible to the public in accordance with established rules, provided that this market is specified in the Rules of the Pension Fund¹, and/or
 - 1.2. issued new securities, provided that the conditions of issue contain an obligation to admit those securities to trading on a regulated market no later than one year after the date of issue, provided that this market is specified in the Rules;
 - 1.3. units/shares of collective investment undertakings the monetary assets of which are invested only in the investment vehicles, shares or units specified in the investment strategy of the Fund;
 - 1.4. deposits with a maturity not exceeding 12 (twelve months) which can be withdrawn on demand and which are located in credit institutions domiciled in a Member State or in another country where prudential supervision is no less stringent than in the European Union;
 - 1.5. financial derivatives, viz. options, futures, swaps, forward rates linked to securities, currencies, interest rates or yields used to manage systemic and currency risk;
 - 1.6. credit default swaps used to mitigate the risk of the issuer.
2. Monetary assets of the Pension Fund can be invested in all currencies of the world.

Diversified Pension Fund investment portfolio

3. When investing Pension Assets, the Management Company shall comply with the following requirements:
 - 3.1. no more than 5% of the net assets constituting the Fund Assets may be invested in transferable securities or money market instruments of a single issuer, except in cases specified in paragraphs 3.2., 3.5. and 3.6.;
 - 3.2. more than 5% but no more than 10% of the net assets constituting the Fund Assets may be invested in transferable securities or money market instruments of a single issuer, provided that the aggregate amount of such investments does not exceed 40% of the net assets (this restriction shall not apply to deposits);

- 3.3. investments in deposits with a single credit institution shall not exceed 20% of the net assets constituting the Fund Assets;
- 3.4. the aggregate amount of investments in transferable securities, money market instruments or deposits issued by one person may not exceed 20% of the net assets constituting the Fund Assets;
- 3.5. investments in transferable securities or money market instruments issued or guaranteed by a State with a credit rating of at least the credit rating of Lithuania may not exceed 35% of the net assets constituting the Fund Assets. The Bank of Lithuania may allow a larger part of the net assets to be invested in transferable securities or money market instruments referred to in this paragraph, provided that the interests of the Participants are sufficiently protected, that the investment is made in at least six issues of transferable securities or money market instruments, and that no more than 30% of the net assets are invested in transferable securities or money market instruments of a single issue;
- 3.6. investments in bonds issued by a credit institution which has its registered office in a Member State and which, in order to protect the interests of bondholders, is subject to special supervision by that State in accordance with the law, and the amount resulting from the issuance of bonds shall be invested, for the entire life of the bonds, in assets sufficient to satisfy the claims of the bondholders and of which, in the event of the issuer's insolvency, the bondholders' claims for principal and interest are settled on a preferential basis, shall not exceed 25% of the net assets. Where more than 5% of the net assets but not more than 25% of the net assets are invested in such bonds of a single issue, the aggregate amount of such investments may not exceed 80% of the net assets;
- 3.7. the aggregate value of investments in bonds or other forms of non-equity securities of companies that are not rated or companies with sub-investment grade may not exceed 20% of the net assets of the Fund;
- 3.8. Transferable securities and money market instruments referred to in paragraphs 3.5. and 3.6. shall not be included in the calculation of the investments to which the maximum limit of 40% applies in accordance with paragraph 3.2. The limits set out in paragraphs 3.1. to 3.7. cannot be aggregated; therefore, the aggregate amount of investments in transferable securities, money market instruments and deposits issued by one person may not exceed 35% of the net assets constituting the Fund Assets;
- 3.9. no more than 20% of the net assets constituting the Fund Assets may be invested in transferable securities and money market instruments issued by companies belonging to a group which is required to draw up consolidated financial statements;
- 3.10. no more than 30% of the net assets of the Fund may be invested in markets for alternative asset classes through the undertakings referred to in paragraph 8. Undertakings through which the Fund Assets are invested in markets for alternative asset classes and which are other than collective investment undertakings are to be considered as issuers within the meaning of the requirements for diversification of the portfolio of financial instruments;

¹ The list of stock exchanges and markets shall be as follows:

Alberta Stock Exchange (Canada), Australian Securities Exchange (Australia), Arizona Stock Exchange (USA), Chicago Stock Exchange (USA), Philadelphia Stock Exchange (USA), Vienna Stock Exchange (Austria), EASDAQ (Belgium), Barcelona Stock Exchange (Spain), Madrid Stock Exchange (Spain), Amsterdam Stock Exchange (Netherlands), Irish Stock Exchange (Ireland), Dublin Stock Exchange (Ireland), Italian Stock Exchange, Athens Stock Exchange (Greece), Luxembourg Stock Exchange, Oslo Stock Exchange (Norway), Lisbon Stock Exchange (Portugal), Paris Stock Exchange (Euronext) (France), Stockholm Stock Exchange (Sweden), Frankfurt Stock Exchange (Germany), German Stock Exchange (Germany), Helsinki Stock Exchange (Finland), Copenhagen Stock Exchange (Denmark), London Stock Exchange (UK), Australian Securities Exchange, Toronto Stock Exchange (Canada), Prague Stock Exchange (Czech Republic), Budapest Stock Exchange (Hungary), Tokyo Stock Exchange (Japan), Osaka Securities Exchange (Japan), Korea Stock Exchange, Mexican Stock Exchange, New Zealand Stock

Exchange, Warsaw Stock Exchange (Poland), Bratislava Stock Exchange (Slovakia), Swiss Stock Exchange, Zurich Stock Exchange, Geneva Stock Exchange, Basel Stock Exchange (Switzerland), Istanbul Stock Exchange (Turkey), New York Stock Exchange (USA), American Stock Exchange, Chicago Board of Options Exchange, NASDAQ (USA), Montreal Stock Exchange (Canada), Vancouver Stock Exchange (Canada), Pacific Stock Exchange (USA), Reykjavik Stock Exchange (Iceland), Buenos Aires Stock Exchange (Argentina), Panama Stock Exchange (Panama), Rio de Janeiro Stock Exchange, Sao Paulo Stock Exchange (Brazil), Johannesburg Stock Exchange (Republic of South Africa), Stock Exchange of Hong Kong (Hong Kong), Kuala Lumpur Stock Exchange (Malaysia), Stock Exchange of Thailand (Thailand), Stock Exchange of Singapore (Singapore), National Stock Exchange of India (India), Tel Aviv Stock Exchange (Israel), Zagreb Stock Exchange (Croatia), Bucharest Stock Exchange (Romania), Bulgarian Stock Exchange (Bulgaria), Moscow Exchange, Russian Exchange (Russia), Ukrainian Stock Exchange (Ukraine).

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- 3.11. The aggregate amount that may be invested in markets for alternative asset classes through the undertakings referred to in paragraph 8 and collective investment undertakings referred to in paragraph 6 may not exceed 30% of the net assets of the Fund.
4. It shall be permitted to invest in units or shares of only such collective investment undertakings which fulfil the following conditions:
- 4.1. they are licensed in a Member State or a member of the Organisation for Economic Cooperation and Development, or in a State where supervision is no less stringent than that provided for under the rules laid down in Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, and the Bank of Lithuania cooperates with the relevant foreign supervisory authority. Where the State in which the collective investment undertaking is licensed is not a Member State or a member of the Organisation for Economic Cooperation and Development, cooperation between the Bank of Lithuania and the relevant supervisory authority of such State on the basis of bilateral or multilateral agreements published on the website of the supervisory authority shall be necessary;
- 4.2. the protection of the rights of participants of undertakings, including the regulation of asset segregation, borrowing, lending and the sale of assets not held by the undertaking, is no less stringent than that provided for by the rules laid down in Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009;
- 4.3. the undertakings shall provide semi-annual and annual reports of their activities, allowing an assessment of their assets and liabilities, profits and activities during the reporting period;
- 4.4. no more than 10% of their net assets may be invested in units or shares of other collective investment undertakings.
5. No more than 20% of the net assets of the Fund may be invested in each of the undertakings referred to in paragraph 4.
6. Up to 30% of the net assets of the Fund may be invested in units or shares of collective investment undertakings which do not meet the conditions set out in paragraph 4, provided that such collective investment undertakings meet the following conditions (with the exception of collective investment undertakings investing in markets for alternative asset classes):
- 6.1. the collective investment undertaking and/or its manager is authorised (licensed, granted a permit to operate or similar action), and its supervision, which must be at least as stringent as the supervision exercised by the Bank of Lithuania on special collective investment undertakings and/or their managers, is carried out by the supervisory authority of the State concerned;
- 6.2. the Bank of Lithuania cooperates with the relevant foreign supervisory authority on the basis of a bilateral or multilateral agreement published on the website of the supervisory authority, if that State is not a member of the Organisation for Economic Cooperation and Development.
7. No more than 5% of the net assets of the Fund may be invested in each of the collective investment undertakings that meet the conditions specified in paragraph 6.
8. Collective investment undertakings managed by the same Management Company or by such management companies, where more than half of the members of the bodies are the same persons or who are controlled by the same person, or where one of them holds more than 10% of the votes at the general meeting of shareholders of another management company, shall be deemed to be affiliated. Where at least one of the aforesaid undertakings is the Management Company, the Fund Assets may be invested in the units or shares of the affiliated collective investment undertakings only at the net asset value.
9. The Fund Assets may be invested in the markets for venture capital, private equity and other alternative asset classes (as defined in the Law on Supplementary Voluntary Accumulation of Pensions) (hereinafter referred to as the market for alternative asset classes), provided that the undertaking, including the collective investment undertaking through which the investment is made, meets the following conditions:
- 9.1. supervision of the undertaking and/or its manager, including supervision other than the supervision of the licensing and activities of management companies, is being performed or other means of securing control of the undertaking acceptable to the Bank of Lithuania are being applied;
- 9.2. losses that the Fund may incur as a result of holding the financial instruments of the undertaking are limited to the amount of money paid for them;
- 9.3. if a foreign undertaking is supervised by a foreign supervisory authority, the Bank of Lithuania cooperates with the relevant foreign supervisory authority on the basis of a bilateral or multilateral agreement published on the website of the supervisory authority, if that State is not a Member State or a member of the Organisation for Economic Cooperation and Development.
10. Decisions on the composition of the investment portfolio of the Fund shall be taken by the investment committee of the Management Company, the composition of which shall be determined by a decision of the board of the Management Company and persons authorised by the CEO of the Management Company to act on behalf of the Fund (the Fund Managers).
11. Decisions taken by the investment committee of the Management Company on the composition of the investment portfolio of the Fund shall be implemented according to the policy on the assessment, adoption and implementation of Investment Decisions approved by the Management Company. This policy shall also govern the procedure for the detailed assessment of investments in which the Fund Assets are invested and the taking of investment decisions.
12. The Management Company shall ensure that the policy on the implementation of investment decisions and any material changes thereto are made available to the Participants of the Fund.
13. Adopted investment decisions shall be implemented or transferred for implementation to another undertaking acting in the best interests of the Fund and with the aim of achieving the best result, in accordance with the legal acts of the Republic of Lithuania and provisions of the policy on the assessment, adoption and implementation of investment decisions.
14. When deciding on the composition of the investment portfolio of the Fund, the investment committee of the Management Company must take into account the current risk profile of the portfolio, as well as the impact of the adopted investment decisions on the overall risk profile of the portfolio.
15. The portfolio risk shall be disaggregated by diversification of the investment portfolio in accordance with the diversification requirements specified in the Rules.
16. The Management Company undertakes to review the investment strategy at least once every 3 years and, if necessary, to amend it.
17. The shares held by the Management Company in any issuer of shares, together with the shares of that issuer held by the managed pension funds, may not confer more than 1/10 of the total voting rights at the general meeting of shareholders of the issuer of shares.
18. No more than the following may be acquired as the Fund Assets:
- 18.1. 10% of the total non-voting shares of the issuer of shares;
- 18.2. 10% of all bonds and other forms of non-equity securities of the issuer of securities;
- 18.3. 10% of money market instruments issued by one issuer of money market instruments;
- 18.4. 10% of units or shares of another collective investment undertaking.
19. The prohibition in sub-paragraphs 18.2., 18.3. and 18.4. may be waived at the time of acquisition if the aggregate value of those securities or money market instruments cannot be calculated. The limits set out in sub-paragraphs

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18.2. and 18.4. do not apply to securities and money market instruments issued or guaranteed by the State or municipalities.

20. The limits set out in sub-paragraphs 17 to 19 shall not apply to investments in markets for alternative asset classes.

The Fund may derogate from the investment limits set out in this Chapter if it exercises the right of pre-emption granted by the securities or money market instruments held. In such case, including where the requirements of the investment rules are breached for reasons beyond the control of the Management Company, the non-compliance shall be remedied as soon as

possible, however within 6 months at the latest. This time limit may be exceeded where all of the following conditions are met: (1) the investment is made in the market for alternative asset classes; (2) the undertaking, including collective investment undertakings, through which the investment is made is of the closed-end type; (3) the failure to comply with this time limit serves the interests of the participants of the pension fund better than compliance with such time limit. In such case, the mismatch between the investment restrictions must be resolved no later than the set maturity date of the investment or, where no specific maturity date is set, the expected end date of the undertaking.