

# ARTICLES OF ASSOCIATION OF AVARON EMERGING EUROPE SMALLER COMPANIES FUND MASF

These Articles of Association registered with the Estonian Financial Supervision Authority are effective as of 2 August 2024.

## 1. Name and Registered Office

- 1.1. The business name of the public limited company qualifying as public limited fund with variable capital (in Estonian *muutuvkapitaliga aktsiaseltsifond*, in short MASF) is **Avaron Emerging Europe Smaller Companies Fund MASF** (in Estonian: *Avaroni Kasvuettevõtete Fond*, hereinafter referred to as the Fund).
- 1.2. The registered office of the Fund is in Tallinn, the Republic of Estonia.

## 2. Duration and Purpose

- 2.1. The Fund is incorporated for an unlimited period.
- 2.2. The Fund is a UCITS fund established under the Estonian Investment Funds Act. The exclusive object of the Fund is to invest the funds available to it in transferable securities as well as in any other assets and financial instruments permitted by the Applicable Law and the Prospectus with the purpose of spreading investment risks and affording its Shareholders the results of the management of its portfolio. Generally, the Fund may take any measures and carry out any transaction which it may deem useful in the accomplishment and development of its purpose to the largest extent permitted by Estonian Investment Funds Act which is in conformity with the UCITS directive.
- 2.3. The investment objective of the Fund is to invest primarily in attractively valued small and mid-cap companies in Emerging Europe ex-Russia region to deliver positive risk-adjusted return over the market cycle. To achieve these investment objectives, at least 80% of the Fund's net assets shall be invested into equity instruments of Emerging Europe companies as defined in the Prospectus.
- 2.4. The Fund may be offered to the public in Estonia, and in any other jurisdictions where it is specifically authorised to do so by the competent authorities.

## 3. General Description of the Investment Policy

- 3.1. Subject to the investment policy and investment restrictions, the Fund's assets can be invested into equities, various debt instruments, deposits, FX derivative instruments and other financial instruments. The Fund may not use leverage to achieve its investment objective. The assets of the Fund shall be invested into Emerging Europe countries. The allocation of the Fund's assets between different asset classes, industrial sectors and regions shall be determined by the Management Company in exercising active portfolio management strategy, subject to its professional assessment and the prevailing market circumstances. Therefore, the proportions of various financial instruments in the Fund's assets vary over time and the exact combination shall be determined based on the Management Company's views and on the issuer specific and macroeconomic research as carried out by the Management Company.
- 3.2. A detailed overview of the investment policy and the investment restrictions is provided in the Prospectus.
- 3.3. The return on investment into the Fund, or achievement of its investment objective is not guaranteed. The past performance of the Fund is neither a guarantee nor an indication of future performance. With the investment into the Fund the Shareholder acknowledges and accepts that such investment involves risk and it may result in both profit or loss to the Shareholder, including loss of the entire amount invested. The overview of risks pertaining to investment into the Fund is provided in the Prospectus. Each investor is advised to consult with a professional investment advisor prior to making an investment.

## 4. Definitions and interpretation

- 4.1. In these Articles of Association, unless the context otherwise requires, the defined terms shall have the following meaning:

<b>Applicable Law</b>	all matters not governed by these Articles of Association shall be subject to Estonian legislation concerning undertakings for collective investment applicable to the Fund, in particular, the Investment Funds Act, as amended or supplemented from time to time, in conformity with the UCITS directive
<b>Articles of Association</b>	this governing document which sets forth the legal grounds for the Fund and regulates the legal relationships of the Fund with the Management Company and its Shareholders

<b>Banking Day</b>	a day when credit institutions are generally open for business in Estonia, excluding Saturdays, Sundays, national and public holidays
<b>Depository Fee</b>	a fee payable to a designated depository (hereinafter referred to as the Depository) for safekeeping assets of the Fund, and performing certain other functions in relation to the Fund, subject to and in accordance with an agreement concluded with the Depository
<b>Foundation Resolution</b>	a resolution of the founding Shareholder made for the founding of the public limited fund according to Applicable Law with which the Shareholder also approves the Management Agreement and the depository agreement
<b>KID</b>	Key Information Document is a short form pre-sale disclosure document, containing only key information about the essential characteristics of the Fund as prescribed in the Applicable Law
<b>Management Agreement</b>	a contract which is entered into between the Fund and the Management Company pursuant to which the latter undertakes to provide asset management services to the Fund in accordance with the Articles of Association and the Prospectus
<b>Management Company</b>	AS Avaron Asset Management, registry code of 11341336, with registered address at Narva mnt 7d, 10117 Tallinn, Estonia, website <a href="http://www.avaron.com">www.avaron.com</a>
<b>Management Fee</b>	fee payable by the Fund to the Management Company for the management of the Fund pursuant to and in accordance with the Management Agreement, the Articles of Association and the Prospectus
<b>Performance Fee</b>	fee payable by the Fund to the Management Company pursuant and in accordance with the Articles of Association and the Prospectus dependent on the result of the investment management services rendered by the Management Company
<b>Prospectus</b>	a document for the public offering of the Fund, presenting information to the extent required by the Applicable Law, and any other information deemed necessary or advisable by the Management Company for deciding an investment into the Fund
<b>Registrar</b>	the registrar of the Share Registry, as identified in the Prospectus
<b>Share</b>	Share representing a holding in the Fund
<b>Shareholder</b>	person who has subscribed for and/or is holding a Share
<b>Share Registry</b>	registry of Shares, maintained electronically by the Registrar
<b>Trade Date</b>	the date of receiving a duly compiled order to transact with Shares
<b>UCITS</b>	a fund established pursuant to and in accordance with the UCITS Directive
<b>UCITS Directive</b>	Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS)

## 5. Share Capital and Classes of Shares

- 5.1. The amount of the Share capital of the Fund corresponds to the amount of the net asset value of the Fund. The Share capital of the Fund shall be deemed to be increased or decreased after changing the net asset value of the Fund.
- 5.2. The reference currency for the calculation of the net asset value of the Fund and the Shares, as well as the issue and redemption prices and for any relevant transactions with Shares is euro (EUR), the currency used within the European Economic and Monetary Union.
- 5.3. The minimum Share capital of the Fund is EUR 125,000 (one hundred and twenty-five thousand euros) and the maximum Share capital is EUR 250,000,000 (two hundred and fifty million euros). The Fund may to the extent of the minimum and maximum capital issue and redeem Shares.
- 5.4. The initial issued Share capital of the Fund was EUR 125,000 (one hundred and twenty-five thousand euros) fully paid in and represented by registered Shares.
- 5.5. The Share has a book value which is based on the net asset value of Fund's assets.

- 5.6. All proceeds from the investments of the Fund shall be reinvested, and no distributions shall be made to the Shareholders from the Fund. The Shareholder's return on his or her investment into the Fund is reflected in the increase or decrease of the net asset value of the Share. The Shareholder may realize its return by exercising redemption or sale right.
- 5.7. The Fund has two classes of registered Shares without nominal value:
- 5.7.1. Avaron Emerging Europe Smaller Companies Fund A (hereafter "A-Share");
- 5.7.2. Avaron Emerging Europe Smaller Companies Fund B (hereafter "B-Share").
- 5.8. The rights attached to a registered Share belong to the person who is entered as the Shareholder in the Share register. Shareholders shall exercise their rights attached to Shares in good faith and in accordance with the Articles of Association, the Prospectus, and the Applicable Law. The exercise of such rights shall not be with the intent or objective to damage the interests of other Shareholders, the Management Company, the Depository of the Fund, or any third party.
- 5.9. Share is a dematerialised book-entry security, maintained in an electronic Share Registry. The Shareholder is not entitled to request that the Share certificates be issued. The Share is freely transferable. Issue and redemption of Shares, and creation and termination of rights and obligation relating thereto, shall take effect with relevant entry into the Share Registry. Information about the Share Registry and the Registrar is provided in the Prospectus.
- 5.10. Shareholders shall be treated equally in equal circumstances. The Share grants to the Shareholder the following rights, subject to and in accordance with the terms and procedures provided in the Prospectus and the Applicable Laws:
- 5.10.1. right to demand redemption of Shares;
- 5.10.2. right to transfer the Shares to third parties;
- 5.10.3. right to participate in the general meeting of Shareholders of the Fund where one Share shall grant the holder one (1) vote;
- 5.10.4. right to participate in distribution of assets remaining upon liquidation of the Fund in proportion to the number of Shares and the class of Shares held;
- 5.10.5. right to access and receive information regarding the Fund;
- 5.10.6. upon request, to receive a confirmation from the Registrar relating to Shares registered to his or her name in the Share Registry;
- 5.10.7. to exercise other rights provided by the imperative provisions of the Applicable Law.
- 5.11. The Share is divisible. The fractions of Share that are created by dividing Shares are rounded up to three decimal points. The following rules are applied for rounding numbers NNN.NNN0 until NNN.NNN4 are rounded to NNN.NNN and numbers NNN.NNN5 to NNN.NNN9 are rounded to NNN.NN(N+1). A holder of a fractional Share participates in making of payments from a Fund and in distribution of assets in the case of dissolution of the Fund. A fractional Share shall not grant its holder voting rights.
- 5.12. The Shareholders shall not be personally liable for the obligations of the Fund, and their liability for the performance of such obligations is limited to their respective investment into the Fund. The Articles of Association do not authorise the Management Company to assume obligation in the name of the Shareholder
- 5.13. The Fund may not issue convertible bonds and other securities which grant the owner thereof rights similar with those associated with convertible bonds.

## **6. Issue, Exchange and Redemption of Shares**

- 6.1. New and fully paid-up Shares may be issued in the Fund without reserving to existing Shareholders of the Fund any preferential right to subscribe to Shares to be issued. The subscription of Shares is not limited by the number of Shares or an amount of investment.
- 6.2. The Shareholder is entitled to demand exchange of the Shares with Shares or units of other funds managed by the Management Company and other class of Shares of the Fund. Detailed terms and procedure for exchanging Shares, are provided in the Prospectus.
- 6.3. Shares are issued on every Banking Day and redeemed once a month unless the issue or redemption is suspended pursuant to and in accordance with the Prospectus and/or the Applicable Law. The issue of the Fund Shares and exchange for the Fund Shares is carried out every Banking Day. The redemption of Shares and exchange for the Management Company's other funds is carried out based on month-end NAV.
- 6.4. Detailed terms and procedure for Share transactions, including applicable cut-off times, are provided in the Prospectus.
- 6.5. By submitting a subscription order, the Shareholder confirms that he or she has thoroughly acquainted, consents and undertakes to adhere to the Articles of Association and the Prospectus. By Share subscription a subscriber shall receive the

right to acquire Shares and shall undertake to pay for the subscribed Share. The Management Company has the right in its sole discretion to refuse to execute a subscription order if this is deemed necessary for protecting the interests of existing Shareholders, or for the orderly management of the Fund.

6.6. By the declaration of intention to acquire Shares (whether by submitting a subscription order or otherwise), each person consents to the processing of his/her data (including personal data) pursuant to the Management Company's principles of processing client data (available at the web page [www.avaron.com/documents](http://www.avaron.com/documents)). The persons authorised by the Management Company to process personal data (authorised processors) and their contact details are also available at Management Company's website. The Management Company has the right to send notices and reports about the Fund at any known postal or e-mail address of the Shareholder.

6.7. In case the subscription and redemption fees or other direct expenses in relation to subscribing and redeeming Shares apply, these shall be paid for by the Shareholder.

## **7. Net Asset Value of a Fund**

7.1. The net asset value of the Fund and of the Share depends on the value of the assets of the Fund. In order to determine the net asset value of the Fund, the value of the assets shall be calculated daily in accordance with the internal rules of the Fund (available on web page [www.avaron.com/documents](http://www.avaron.com/documents)), from which the liabilities of the Fund shall be deducted.

## **8. General Meeting**

8.1. According to Foundation Resolution the founding Shareholder has granted the Supervisory Board the competence of the General Meeting as stipulated in clause 9.2. The General Meeting has the right to amend the Articles of Association and reclaim the competence as regulated by law.

8.2. The Management Board shall call an extraordinary General Meeting if:

8.2.1. the net assets of the Fund are less than the amount permitted by law; or

8.2.2. this is demanded by Shareholders whose Shares represent at least one-tenth of the Share Capital; or

8.2.3. this is demanded by the Supervisory Board, the Management Company, the Depositary or the auditor of the Fund; or the Financial Supervision Authority.

8.3. If the Management Board does not call the extraordinary General Meeting within one (1) month after receipt of a demand from persons listed in clauses 8.2.2-8.2.3, the listed persons shall have the right to call the General Meeting themselves pursuant to the Articles of Association and law.

8.4. The Management Board shall, at least one (1) week prior to the day of the extraordinary General Meeting, publish a notice of the General Meeting in accordance with the requirements as stipulated in the Applicable Law.

8.5. The General Meeting is competent to adopt resolutions if more than 50% of the votes represented by Shares are present excluding deciding on amendment of Articles of Association as specified in clause 8.1, when 90% of the votes represented by Shares should be present. The persons authorised to participate at the General Meeting shall be determined seven calendar days before General Meeting at the end of a Banking Day. The Shareholder may participate in the General Meeting by electronic means according to the Applicable Law.

8.6. A list of Shareholders who participate in the General Meeting, shall set out the names of the Shareholders who participate in the meeting, the number of votes attached to their Shares, form of participation of the meeting and, if a representative of a Shareholder participates, the name of the representatives of the Shareholder. If Shareholder has voted by using electronic means, the list shall also specify the voting date. The chairman and the secretary of the meeting shall sign the list as well as all Shareholders or representatives participating in the meeting.

8.7. A resolution of the General Meeting shall be adopted if more than 50% of the votes represented at the General Meeting are in favour, excluding deciding on amendment of Articles of Association as specified in clause 8.1, when at least 90% of the votes represented at the General Meeting shall be required, and in other cases provided by law. In the election of a person at the General Meeting, the candidate who receives more votes than the others shall be considered elected.

8.8. Shareholders may vote on the draft resolutions prepared in respect to the items on the agenda of a General Meeting by using electronic means prior to the General Meeting or adopt resolutions as prescribed by law without calling a meeting.

## **9. Supervisory Board**

9.1. The Supervisory Board shall have three (3) members who shall perform their duties with due diligence. Members of the Supervisory Board shall be elected for five (5) years. The members of the Supervisory Board shall elect a chairman from among themselves, who shall organise the activities of the Supervisory Board. The functions of the members of the Supervisory Board shall not be remunerated.

9.2. Based on the Foundation Resolution the Supervisory Board has the competence as prescribed by these Articles of Association to:

- 9.2.1. organise the governance of the Fund;
- 9.2.2. amend the Articles of Association;
- 9.2.3. approve amendments to the Management Agreement of the Fund;
- 9.2.4. supervise the activities of the Management Company;
- 9.2.5. elect an auditor;
- 9.2.6. designate a special audit and approve the procedure for payment of remuneration to persons executing special audit;
- 9.2.7. review the annual report and prepare a report concerning it;
- 9.2.8. approve the annual report;
- 9.2.9. supervise the activities of the Management Board
- 9.2.10. review, once every four months, the overview of economic activity and economic situation of the Fund presented by the Management Board
- 9.2.11. elect and recall members of the Management Board;
- 9.2.12. decide on conclusion of a transaction between the Fund and a member of the Management Board, determine the terms and conditions of this transaction and decide on having legal disputes with Management Board members and appoint a representative of the Fund in such transaction or legal dispute;
- 9.2.13. elect and recall members of the Supervisory Board before expiry of his or her term of authority;
- 9.2.14. decide on conclusion of a transaction with the member of the Supervisory Board, determine the terms and conditions of this transaction and decide on having legal disputes with the Supervisory Board members and appoint a representative of the Fund in such transaction or legal dispute;
- 9.2.15. decide on transactions which are beyond the scope of Fund's everyday economic activities;
- 9.2.16. decide on dissolution, merger, division and/or transformation of the Fund;
- 9.2.17. decide on other matters placed in the competence of the Supervisory Board by law.

9.3. Meetings of the Supervisory Board shall be held when necessary but not less frequently than once every three (3) months.

9.4. A meeting of the Supervisory Board shall be called if:

- 9.4.1. this is demanded by a member of the Supervisory Board, the Management Board or an auditor of the Fund; or
- 9.4.2. Shareholders whose Shares represent at least one-tenth of the Share Capital.

9.5. If the meeting is not called within two weeks after the date of receipt of a demand from persons listed on clause 9.4, the listed persons shall have the right to call the meeting themselves.

9.6. A meeting of the Supervisory Board has a quorum if all the members of the Supervisory Board participate. A member of the Supervisory Board shall not be represented by another member of the Supervisory Board or by a third person at a meeting or in the adoption of a resolution. A member of the Supervisory Board may participate in a meeting of the Supervisory Board by electronic means according to the Applicable Law.

9.7. A resolution of the Supervisory Board shall be adopted if all the members of the Supervisory Board vote in favour. Each member of the Supervisory Board shall have one vote. A member of the Supervisory Board does not have the right to abstain from voting or to remain undecided.

9.8. A member of the Supervisory Board shall not participate in voting if:

- 9.8.1. election or recall of the member is being decided; or
- 9.8.2. remuneration of the member is being decided; or
- 9.8.3. approval of the conclusion of a transaction between the member and the Fund is being decided; or
- 9.8.4. approval of the conclusion of a transaction between a third person and the Fund is being decided if the interests of the member of the Supervisory Board arising from such transaction conflict with the interests of the Fund.

9.9. The Supervisory Board shall have the right to adopt resolutions as prescribed by law without calling a meeting.

## **10. The Management Board**

10.1. The Management Board is a directing and representative body of the Fund, adhering to the lawful orders of the Supervisory Board.

10.2. The Management Board shall have two (2) members. The members of the Management Board shall perform his or her duties with due diligence. Each member of the Management Board may represent the Fund in all legal acts. A member of the Management Board shall have the right of delegation of authority. The functions of the members of the Management Board shall not be remunerated.

10.3. The members of the Management Board shall be elected by the Supervisory Board for five (5) years. In case of more than two members, the members shall elect a chairman of the Management Board from among themselves. The chairman of the

Management Board shall organise work of the Management Board and direct everyday activities of the Fund pursuant to law and according to the requirements of the Articles of Association.

- 10.4. The Management Board shall adopt all resolutions concerning activities of the Fund and shall independently execute all transactions, which are not placed in the competence of the Supervisory Board by these Articles of Association.
- 10.5. The Management Board of the Fund shall:
  - 10.5.1. approve amendments to the depositary agreement of the Fund;
  - 10.5.2. supervise the activities of the Depositary;
  - 10.5.3. supervise the activities of other third persons to whom activities related to Fund management have outsourced;
  - 10.5.4. present an overview of the economic activities and economic situation of the Fund to the Supervisory Board at least once every four months;
  - 10.5.5. decide on other matters which are not placed in the competence of the Supervisory Board or which are placed in the competence of the Management Board by law;
- 10.6. The Management Board shall appoint the Depositary for safekeeping of the Fund's assets, and for performance of certain other functions, subject to and in accordance with the Applicable Law. Information about the depositary designated for the Fund, and description of its functions and liability is provided in the Prospectus.
- 10.7. The Management Board, subject to the requirements and restrictions of the Applicable Law, delegate certain functions relating to management of the Fund to third parties. The Management Board shall apply due care in selecting, retaining and monitoring such third party. Delegation of the functions does not relieve the Management Board from its responsibility or liability towards the Shareholders in relation to management of the Fund, unless otherwise provided by the Applicable Law. The information regarding functions delegated to third parties is provided in the Prospectus.
- 10.8. The members of the Management Board shall be jointly liable for any damage caused by failure to fulfil their obligations in accordance with law.

## 11. The Management Company

- 11.1. The Management Company of the Fund designated by the Management Agreement is **AS Avaron Asset Management**, an Estonian limited liability company registered with the Estonian Commercial Register under the registry code of 11341336, with registered address at Narva mnt 7d, 10117 Tallinn, Estonia. The Management Company is authorised and supervised by the Estonian Financial Supervision Authority. The Management Company is authorised to manage investment funds established pursuant to and in accordance with the UCITS Directive, other funds pursuant to and in accordance with the Estonian Investment Funds Act, and to provide portfolio management and investment advisory services.
- 11.2. The Management Company has the power and authority to manage the assets of the Fund at its discretion and in the reasonable opinion it deems necessary, subject to and in accordance with the imperative provisions of Applicable Law, the Prospectus, the Articles of Association and the Management Agreement concluded between the Fund and the Management Company.
- 11.3. The Management Company shall:
  - 11.3.1. organise the asset management activities of the Fund;
  - 11.3.2. determine the investment policy of the Fund;
  - 11.3.3. decide on issue and redemption of Shares within limits stipulated in the Articles of Association;
  - 11.3.4. organise the calculation of net asset value of Fund's assets and the Fund;
  - 11.3.5. make investment decisions upon investment of the assets of the Fund;
  - 11.3.6. possess, use and dispose of the assets of the Fund;
  - 11.3.7. conduct transactions with the assets of the Fund in the name and for the account of the Fund;
  - 11.3.8. organise the maintaining of the Share Registry;
  - 11.3.9. perform regulatory compliance monitoring;
  - 11.3.10. prepare and submit to the Financial Supervision Authority reports on the supervision over the Fund;
  - 11.3.11. distribute the Fund to target investors;
  - 11.3.12. carry out the due diligence of investors;
  - 11.3.13. publish information pursuant to Applicable Law, including maintaining a website, preparing fund documentation;
  - 11.3.14. organise the accounting of the Fund.
- 11.4. The Management Company shall, pursuant to the Applicable Law, act with all due care, skill and diligence in discharging its role as the Management Company of the Fund, considering the best interests of the Fund, and thereby the collective best interests of the Shareholders. The Management Company shall treat the Shareholders of a Fund equally under equal circumstances and share information and documents with them on equal basis.

11.5. The Management Company shall be liable for the damage caused to the Fund or the Shareholders by violation of its obligations under Applicable Law, the Management Agreement, Articles of Association and Prospectus of the Fund.

## **12. Fees and Expenses of the Fund**

12.1. The Management Company shall be paid a Management Fee on the account of the Fund, on terms and conditions as provided for in the Management Agreement, Articles of Association and the Prospectus.

12.2. In addition to the Management Fee, the Management Company is entitled to the Performance Fee if the A-Share outperforms the benchmark index over the performance fee measurement period. Details of the Performance Fee calculation are described in the Prospectus. No Performance Fee shall be calculated and paid for the B Share.

12.3. The Depositary shall be paid a Depositary Fee for its services on the account of the Fund. The rate of the Depositary Fee and payment conditions are provided in the Prospectus.

12.4. The Management Fee and Depositary Fee shall be accrued on each day the net asset value of the Fund is calculated and shall be paid out monthly for the previous calendar month. The accrual for the Performance Fee shall be revalued on each day the net asset value of the Fund is calculated. The rules for Performance Fee crystallisation and reset are provided in the Prospectus.

12.5. The following costs and expenses shall be paid on the account of the Fund:

12.5.1. expenses related to holding the Fund's assets;

12.5.2. making transactions with Fund's assets (transaction fees, brokerage fees, transfer fees, subscription fees, exchange fees, registry fees, state fees, etc.), and bank charges for banking services (money transfers, international money transfers, account debiting and crediting, currency conversion etc.);

12.5.3. expenses related to auditing the Fund and its reports;

12.5.4. fund administration fees to the service providers (the service includes keeping the Fund's accounts and calculating net asset value);

12.5.5. expenses related to maintaining the Share Registry, based on the price list of the Registrar (including the Registrar's charges related to receiving and processing the subscription and redemption orders);

12.5.6. charges related to registering and distributing the Fund abroad, including costs for using agent services required by law or inevitable in the market, amendments to the Fund's documentation and the expenses related to publishing relevant notices;

12.5.7. expenses related to marketing and distribution of the Fund, including initial set-up, ongoing registration, listing and quotation fees of distribution platforms;

12.5.8. expenses related to preparing, amending, printing, translating and distributing the Articles of Association, Prospectus and other Fund documents;

12.5.9. other fees and costs related to the management of the Fund related to the Fund's investments, liquidation costs, taxes to the Fund's investments, fees and interest costs (including costs related to negative interest on deposits and other fixed-income investments), costs related to the realisation of rights related to the Fund's assets and legal (incl. court costs) expenses incurred by the Fund.

12.6. The total fees and expenses (excl. liquidation fees) paid on behalf of the Fund may not exceed 5% of the weighted average net asset value of the Fund's assets per year.

## **13. Financial Year**

13.1. The financial year of the Fund shall begin on January 1st of each year and terminates on December 31st of the same year. The consolidated accounts of the Fund shall be expressed in Euros.

## **14. Amendments**

14.1. The Articles of Association may be amended with the resolution of the Supervisory Board.

14.2. The amendments to the Articles of Association shall be approved by the Estonian Financial Supervision Authority, unless the need to amend the Articles of Association come solely from changes to the Applicable Law or when such amendments do not affect the rights of the Shareholders, or are beneficial to the Shareholders. In such cases the amended Articles of Association shall only be notified to the Financial Supervision Authority without delay.

14.3. Following the approval of the amendments by the Estonian Financial Supervision Authority, or notification of the amendments to the Financial Supervision Authority, as relevant, the Fund shall without delay publish a notice regarding such amendments together with the amended Articles of Association on the website [www.avaron.com](http://www.avaron.com). The amended Articles of

Association shall take effect after the amendment of the Articles of Association has been entered in the commercial register, unless the notice prescribes a later date.

14.4. In the case of material amendments to the Articles of Association, the Fund shall ensure that the Shareholders are provided with the period of at least one month before such material amendments enter into effect during which the Fund redeems the Shares at the request of the Shareholder without a redemption fee, or ensures an option to exit by sale of the Shares at the price at least equal to the net asset value of the Shares.

## **15. Liquidation of the Fund**

15.1. The Fund shall be terminated and liquidated according to the Articles of Association with the resolution of the Supervisory Board, or pursuant to the imperative provisions of the Applicable Law. The approval of the Estonian Financial Supervision Authority is required for the liquidation of the Fund.

15.2. Upon receipt of the approval from Financial Supervision Authority, the Fund shall without delay publish a notice regarding the liquidation of the Fund on the website [www.avaron.com](http://www.avaron.com) and in the official publication *Ametlikud Teadaanded*.

15.3. Upon publishing the liquidation notices, the issue and redemption of Shares shall be suspended.

15.4. The liquidation shall be performed in accordance with the Applicable Law by the Management Board, Depositary or a third-party liquidator appointed by the Estonian Financial Supervision Authority.

15.5. The creditors shall notify the liquidators of all their claims against the Fund within four months after publication of the notices as stated above. After satisfaction of the claims of all creditors, the liquidators shall prepare the final balance sheet and distribution plan for the assets remaining upon liquidation. Assets may be distributed within six months after the entry of the dissolution of the Fund in the commercial register and within two months after the date on which the Shareholders were informed that the final balance sheet and asset distribution plan are disclosed for examination.

15.6. Liquidators shall submit a petition for deletion of a Fund from the commercial register after the conclusion of the liquidation, however not earlier than six months after the entry of the liquidation of the Fund in the commercial register and publication of the liquidation notices and after three months of the date on which the Shareholders were informed that the final balance sheet and asset distribution plan are disclosed for examination.

15.7. The costs and expenses of the liquidation procedure may be covered at the account of the Fund. However, such expenses shall not exceed 2% of the net asset value of the Fund at the date of the resolution to liquidate, unless such additional expenses are identified and justified with the liquidation resolution. If the actual liquidation expenses exceed the limit threshold, the Management Company or the person who was the designated Management Company prior to the liquidation shall be responsible for the expenses exceeding such limit.