

TERMS OF REORGANIZATION

OF

**THE PUBLIC JOINT-STOCK COMPANY „INVL BALTIC REAL ESTATE“ AND
THE PUBLIC JOINT- STOCK COMPANY „INVALIDOS NEKILNOJAMOJO TURTO FONDAS“**

Vilnius

30 June 2015

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According to these Terms of Reorganization public joint-stock company “INVL Baltic Real Estate” which ceases to operate without liquidation process, is merged into public joint-stock company “Invalidos nekilnojamojo turto fondas”, which continues its operations under a new name as a public joint-stock company “INVL Baltic Real Estate” and all the rights and duties (including the name) of public joint-stock company “INVL Baltic Real Estate” are transferred to the company that continues to operate after the merger (Company participating in the Reorganization).

These Terms of Reorganization have been drawn up in accordance with provisions of the Civil Code of the Republic of Lithuania, Law on Companies of the Republic of Lithuania and other applicable legal acts of the Republic of Lithuania.

Preparation of the Terms of Reorganization was approved on 30 April 2015 by the decision of the sole shareholder of public joint-stock company “Invalidos nekilnojamojo turto fondas” and on 30 April 2015 by the decision of general meeting of shareholders of public joint-stock company “INVL Baltic Real Estate”.

Terms of Reorganization are prepared by the board of public joint-stock company “INVL Baltic Real Estate” and public joint-stock company „Invalidos nekilnojamojo turto fondas“.

The Chairman of the Board of public joint-stock company “INVL Baltic Real Estate” Alvydas Banyš, the Director of the company Andrius Daukšas and the person authorized to manage the accounting of the company Raimondas Rajeckas, also the Chairman of the Board of public joint-stock company “Invalidos nekilnojamojo turto fondas“ Andrius Daukšas, the Director of the company Gediminas Bronislovas Rimkevičius and the person authorized to manage the accounting of the company Raimondas Rajeckas, hereby confirm, that to the best of their knowledge, information provided in the Terms of Reorganization (including all Annexes) coincides with the data as of 31 December 2014, and there are no missing data, which may have substantial impact to the meaning of such information and assessment of the Company participating in the Reorganization and Company being Reorganized and responsible persons put all their efforts in order to ensure it.

Publication of the Terms of Reorganization does not give ground for presumption that no changes shall occur in the public joint – stock company “INVL Baltic Real Estate” and/or public joint-stock company “Invalidos nekilnojamojo turto fondas“ from the moment of publication and that information provided in this document shows significant information in every aspect at any moment of validity of this document.

Investment decisions should be made based on the investors’ knowledge, valuation of situation of the public joint - stock company “INVL Baltic Real Estate” and public joint-stock company “Invalidos nekilnojamojo turto fondas“ also documents and additional later published information related to the Terms of Reorganization. The Terms of Reorganization (including Annexes) should not be treated as business, investment or legal recommendation. Every investor should contact its consultant for the legal, business or tax advice.

Chairman of the Board of public joint - stock company “INVL Baltic Real Estate”

Alvydas Banyš

Chairman of the Board of public joint - stock company “Invalidos nekilnojamojo turto fondas“

Andrius Daukšas

Director

Andrius Daukšas

Director

Gediminas Bronislovas Rimkevičius

Person authorized to manage the accounting

Raimondas Rajeckas

Person authorized to manage the accounting

Raimondas Rajeckas

1. DEFINITIONS

In these Terms of Reorganization, all capitalized terms will have the meaning indicated below:

Day of Exchange of Shares	means the day on which (i) the amended Articles of Association of the public joint - stock company “Invalidos nekilnojamojo turto fondas” stating change of the name and increased authorized capital is registered in the Register of Legal Entities and (ii) the public joint - stock company “INVL Baltic Real Estate” is deregistered from the Register of Legal Entities. Unless otherwise provided by the mandatory rules of law, the moment of registration of amended Articles of Association of the public joint - stock company “Invalidos nekilnojamojo turto fondas” and deregistration of the public joint - stock company “INVL Baltic Real Estate” will be deemed concurrent, i.e. both indicated events shall be deemed as occurred at the same moment if they take place (i) on the same day – at the end of such day, (ii) on different days - at the end of the day of the latest event took place. Any reference to the Day of Exchange of Shares will mean the reference to end of the Day of Exchange of Shares, except otherwise is provided in the Terms of Reorganization or other related documents.
Reorganization	means the process during which (i) the public joint - stock company “INVL Baltic Real Estate” which ceases to operate without liquidation is merged to the public joint-stock company “Invalidos nekilnojamojo turto fondas” which continues to operate under a new name as the public joint - stock company “INVL Baltic Real Estate”, (ii) all rights and duties of the public joint-stock company “INVL Baltic Real Estate” (including the name “INVL Baltic Real Estate”) are transferred to the company that continues to operate, (iii) shareholders of the public joint - stock company “INVL Baltic Real Estate” receive ordinary registered shares of the public joint –stock company “Invalidos nekilnojamojo turto fondas”, which continues to operate under the name of public joint company “INVL Baltic Real Estate”, in exchange of the ordinary registered shares held in the public joint - stock company “INVL Baltic Real Estate”, free of charge (iv) the authorized capital of the public joint – stock company “Invalidos nekilnojamojo turto fondas” is increased accordingly.
Terms of Reorganization	means these Terms of Reorganization of the public joint – stock company “INVL Baltic Real Estate” and public joint-stock company “Invalidos nekilnojamojo turto fondas” drawn up in accordance with the provisions of the Civil Code of the Republic of Lithuania, the Law on Companies of the Republic of Lithuania and other related legal acts.
Day of preparation of the Terms of Reorganization	30 June 2015
Completion of the Reorganization	means the end of the day on which the last of the following events will take place: (i) the amended Articles of Association of the public joint – stock company “Invalidos nekilnojamojo turto fondas” stating change of the name and increased authorized capital is registered in the Register of Legal Entities; (ii) the public joint – stock company “INVL Baltic Real Estate” is deregistered from the Register of Legal

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Entities; (iii) shareholders of the public joint - stock company “INVL Baltic Real Estate” receive ordinary registered shares of the public joint-stock company “Invalidos nekilnojamojo turto fondas” in exchange of held shares of the Company being Reorganized.

Company participating in the Reorganization

means public joint-stock company “Invalidos nekilnojamojo turto fondas”, data on which on the Day of preparation of the Terms of the Reorganization is stated under the paragraph 4.2.1.

Meeting of the Company participating in the Reorganization

means the general meeting of shareholders of the Company participating in the Reorganization that shall make the decision regarding Reorganization, approve the Terms of Reorganization and approve the amended Articles of Association of the Company participating in the Reorganization that continues to operate after the Reorganization.

Company being Reorganized

means public joint-stock company “INVL Baltic Real Estate”, data on which on the Day of preparation of the Terms of the Reorganization is stated under the paragraph 4.3.

Meeting of the Company being Reorganized

means the general meeting of shareholders of the Company being Reorganized that shall make the decision regarding Reorganization, approve the Terms of Reorganization and approve the amended Articles of Association of the Company participating in the Reorganization that continues to operate after the Reorganization.

Manager of the Register of Legal Entities

means Vilnius Branch of the Register of Legal Entities of the State Enterprise Centre of Registers.

In case indicated otherwise, definitions in singular form shall also mean the plural, words importing one gender shall also mean the other, words importing person shall include legal and natural person.

Headings of the articles and definitions of the Terms of Reorganization, names of structural parts are used for convenience only and shall have no impact on interpretation of the Terms of Reorganization.

If not provided otherwise in these Terms of Reorganization, any reference to the laws, a particular law or other legal act shall mean a reference to the actual wording of the laws, particular law or other legal acts of the Republic Lithuania on the Day of preparation of the Terms of Reorganization.

2. GENERAL TERMS

- 2.1. The goal of the Reorganization is: on the basis of provisions of the Law on Companies of the Republic of Lithuania and the Civil Code of the Republic of Lithuania to merge public joint-stock company “INVL Baltic Real Estate”, which after the Reorganization ceases to operate without liquidation process, to public joint-stock company “Invaldos nekilnojamojo turto fondas”, which after all the rights and duties (including the name) of the public joint-stock company “INVL Baltic Real Estate” are transferred, continues its operations under the new name of public joint-stock company “INVL Baltic Real Estate”.
- 2.2. Preparation of Terms of Reorganization was approved on 30 April 2015 by the decision of the sole shareholder of the public joint-stock company “Invaldos nekilnojamojo turto fondas” (decision attached as Annex 1) and by the general meeting of the shareholders of public joint-stock company “INVL Baltic Real Estate” that was held on 30 April 2015 (protocol attached as Annex 2).
- 2.3. Terms of Reorganization are prepared in accordance with Articles 61-69 of the Law on Companies of the Republic of Lithuania and Chapter VIII of Book Two of the Civil Code of the Republic of Lithuania, taking into account the requirements of other legal acts of the Republic of Lithuania.
- 2.4. Terms of Reorganization are prepared based on set of annual financial statements of the public joint-stock company “INVL Baltic Real Estate” and the public joint-stock company “Invaldos nekilnojamojo turto fondas” prepared as of 31 December 2014 (Annexes 7 and 8).
- 2.5. Together with these Terms of Reorganization a new project of Articles of Association of the Company participating in the Reorganization is prepared (Annex 3).
- 2.6. Assessment of the Terms of Reorganization is performed and report is prepared by UAB “MOORE STEPHENS VILNIUS”, code 123903963, registered address J. Kubiliaus st. 6, Vilnius (Report of Assessment of the Terms of Reorganization from the day it is submitted to the Company participating in the Reorganization and the Company being Reorganized becomes Annex 4 of the Terms of Reorganization).
- 2.7. In accordance with paragraph 8 of Article 63 of the Law on Companies of the Republic of Lithuania, the Terms of Reorganization will be submitted to the Manager of the Register of Legal Entities, not later than on the day of the public announcement in the source that is stated in the Articles of Association of the Company being reorganized - in the electronic publication for public announcements which is issued by the Manager of the Register of Legal Entities and in the source stated Articles of Association of the Company participating in the Reorganization – newspaper “Verslo žinios”, also announced in the Central regulated information base as well as in the websites of the Company being Reorganized www.invlbalticrealestate.lt.
- 2.8. The Company being Reorganized during all the period starting from the first day of public announcement about preparation of the Terms of Reorganization in the electronic publication for public announcements which is issued by the Manager of the Register of Legal Entities and in the newspaper “Verslo žinios”, and finishing no earlier than on the day of Completion of Reorganization, publicly and free of charge publishes the Terms of Reorganization in its web-site www.invlbalticrealestate.lt. The Company participating in the Reorganization and the Company being Reorganized provide access to the Terms of Reorganization in the premises located in Šeimyniškių g. 1A, Vilnius.
- 2.9. In accordance with paragraph 2 of Article 62 of the Law on Companies of the Republic of Lithuania, meetings of the Company participating in the Reorganization and the Company being Reorganized shall make decisions no earlier than 30 days after the Manager of the Register of Legal Entities announces about the Terms of Reorganization received. Protocols of aforementioned meetings shall be submitted to the Manager of the Register of Legal Entities no later than within 5 days after the meeting.
- 2.10. Each action of the Reorganization shall be performed taking into consideration general principal and goal - ensure smoothness, transparency, efficiency, economy and rapidity of the Reorganization

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process despite this principle is mentioned or not while describing particular steps of the Reorganization.

- 2.11. The principle mentioned in paragraph 2.10 of these Terms of Reorganization shall mean that the time limits stated by these Terms of Reorganization and legal acts for the particular actions of the Reorganization have to be treated as the maximum time limits. Therefore, all efforts have to be made in order to complete the said actions immediately if there is real and reasonable opportunity, except when it is prohibited by mandatory provisions of the laws or other legal acts. The time limits stated in these Terms of Reorganization may be missed (or performance of some action delayed) only in cases when those time limits cannot be kept due to the following reasons: the Reorganization has been suspended and (or) mandatory provisions of the laws prohibit conduction of the particular steps in time limits stated in the Terms of Reorganization.
- 2.12. Furthermore, the principle mentioned in paragraph 2.10 of these Terms of Reorganization shall also mean that if in particular situation any action related with the Reorganization may be performed more smoothly, transparently, efficiently and rapidly by another body of the Company participating in the Reorganization or the Company being Reorganized or another person which has a right to act on behalf of the above-mentioned companies, this action has to be completed by the said body or person which has the right to act on behalf of the company, except the cases when it is prohibited by mandatory provisions of the laws.

3. THE MODE, LEGAL ASSUMPTIONS, EXECUTION AND COMPLETION OF THE REORGANIZATION

3.1. The mode of the Reorganization:

- 3.1.1. The Reorganization is performed in the manner indicated in paragraph 3 of Article 2.97 of the Civil Code of the Republic of Lithuania, when one legal entity is merged to the other and all the rights and duties of the first subject are transferred to the later.
- 3.1.2. The Reorganization corresponds with paragraph 1 of part 2 of Article 41 of the Law on Corporate Income Tax of the Republic of Lithuania according to which “entities are reorganized by means of a merger by acquisition, i.e. one or more entities, on being dissolved without going into liquidation, (hereinafter referred to as the “acquired entities”) are merged with another existing entity (hereinafter referred to as the “acquiring entity”) and, at the time of the merger, all the assets, rights and obligations of the acquired entity are transferred to the acquiring entity and members of the acquired entity, in exchange for the shares (interests, member shares) held in the acquired entity, receive shares (interests, member shares) issued by the acquiring entity, to which all the assets, rights and obligations of the acquired entity are transferred“.
- 3.1.3. As the Reorganization corresponds with cases of reorganization and transfer provided in Article 41 of the Law on Corporate Income Tax of the Republic of Lithuania, according to part 1 of Article 42 of the Law on Corporate Income Tax of the Republic of Lithuania, when the shareholders of the Company being Reorganized receive shares in the Company participating in the Reorganization in exchange for those held in the Company being Reorganized, the increase of the value of shares shall not be treated as income of such shareholders. In this case, the acquisition price of the shares received in the Company participating in the Reorganization in exchange for the shares of the Company being Reorganized is the acquisition price of the shares before the transfer was effected.
- 3.1.4. As the Reorganization corresponds with cases of reorganization and transfer intended in Article 41 of the Law on Corporate Income Tax of the Republic of Lithuania, according to part 2 of Article 42 of the Law on Corporate Income Tax of the Republic of Lithuania, when the Company being Reorganized transfers assets to the Company participating in the Reorganization, the increase of the value of assets shall not be treated as income of the Company being Reorganized. In this case, the acquisition price of such assets shall be the acquisition price of the assets before the transfer was effected.

3.2. Legal assumptions of the Reorganization are the following:

- 3.2.1. the authorized capital (shares emission price of the last share issue) of the Company participating in the Reorganization and the Company being Reorganized have been fully paid up;
- 3.2.2. the Company participating in the Reorganization and the Company being Reorganized have not acquired the status of the company being reorganized or involved into the reorganization, or the company being transformed, or the company in liquidation, bankruptcy or restructuring;
- 3.2.3. preparation of the Terms of Reorganization was approved by the decision of the sole shareholder of the public joint-stock company “Invalidos nekilnojamojo turto fondas” on 30 April 2015 (Annex 1) and by the general meeting of shareholders of the public joint-stock company “INVL Baltic Real Estate” on 30 April 2015 (Annex 2);
- 3.2.4. the Terms of Reorganization have been drawn up by the Board of the Company participating in the Reorganization and the Board of the Company being Reorganized;
- 3.2.5. the Terms of Reorganization are assessed and the report is prepared by UAB “MOORE STEPHENS VILNIUS”;
- 3.2.6. the Board of the Company Participating in the Reorganization and the Board of the Company being Reorganized are preparing reports about the intended Reorganization.

3.3. Implementation and Completion of the Reorganization:

- 3.3.1. not later than 30 days before the Meeting of the Company participating in the Reorganization and the Meeting of the Company being Reorganized, the information about the prepared Terms of Reorganization shall be published one time in the electronic publication for public announcements which is issued by the Manager of the Register of Legal Entities and provided to all creditors of the Company participating in the Reorganization and the Company being Reorganized in writing (by registered mail or in person). The announcement shall contain further mentioned data and information where the documents listed under the paragraph 3.2.2. of the Terms of Reorganization can be found:
- 3.3.1.1. information indicated in Article 2.44 of the Civil Code of the Republic of Lithuania about the Company participating in the Reorganization and the Company being Reorganized;
- 3.3.1.2. mode of the Reorganization;
- 3.3.1.3. the companies that will continue to operate after the Reorganization;
- 3.3.1.4. the moment when all the rights and duties of the Company being Reorganized are transferred to the Company participating in the Reorganization.
- 3.3.2. not later than 30 days before the Meeting of the Company Participating in the Reorganization and the Meeting of the Company being Reorganized, both the Company being Reorganized and the Company participating in the Reorganization will offer a possibility for their shareholders and creditors to access further mentioned documents respectively in the web-site www.invlbalticrealestate.lt and in the premises located in Šeimyniškių str. 1A, Vilnius:
- 3.3.2.1. Terms of Reorganization;
- 3.3.2.2. new wording of the Articles of Association of the Company participating in the Reorganization;
- 3.3.2.3. the sets of annual financial statements and annual reports for the last three years of the Company participating in the Reorganization;
- 3.3.2.4. considering that the Company being Reorganized was established on 29 April 2014 after the split-off of the public joint-stock company “Invalda LT” (current name – public joint-stock company “Invalda INVL”), the set of annual financial statement and annual report of 2014 of the Company being Reorganized, the set of annual financial statement and annual report of 2013 of the public joint-stock company “Invalda LT” (current name – public joint-stock company “Invalda INVL”) and the set of annual financial statement and annual report of 2012 of the public joint-stock company “Invalda” (current name – public joint-stock company “Invalda INVL”);
- 3.3.2.5. the report of the assessment of the Terms of Reorganization;
- 3.3.2.6. the report about the intended Reorganization prepared by the Board of the Company participating in the Reorganization;
- 3.3.2.7. the report about the intended Reorganization prepared by the Board of the Company being Reorganized.
- 3.3.3. The documents listed in paragraph 3.3.2. of the Terms of Reorganization will be available for the shareholders to download free of charge on the website of the Company being Reorganized www.invlbalticrealestate.lt and print or receive copies of these documents free of charge in the premises of the Company participating in Reorganization and/or the Company being Reorganized located in Šeimyniškių str. 1A, Vilnius during all period indicated in paragraph 2.8 of the Terms of Reorganization.
- 3.3.4. If there are any substantial changes in assets, rights and liabilities from the Day of preparation of the Terms of Reorganization, the manager of the corresponding company will immediately draw up written announcements regarding such changes and will attach to the documents listed in paragraph 3.3.2. of the Terms of Reorganization. If there are any substantial changes in assets, rights and liabilities from the Day of preparation of the Terms

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of Reorganization till the day of the Meeting of the Company participating in the Reorganization and the day of the Meeting of the Company being Reorganized, the manager of the corresponding company will verbally announce the changes in the meeting of a corresponding company and inform the manager of the other company so he is able to inform shareholders.

- 3.3.5. Proposals regarding the Terms of Reorganization may be submitted by the Board, manager and shareholders of the Company participating in the Reorganization and the Company being Reorganized, holding the shares with their nominal value not less than 1/3 of the authorized capital of corresponding company.
- 3.3.6. The Terms of Reorganization, the report about the intended Reorganization drawn up by the board of the Company participating in the Reorganization, the report about the intended Reorganization drawn up by the board of the Company being Reorganized and the report of the assessment of Terms of Reorganization shall be submitted to the Manager of the Register of Legal Entities no later than on the day information about their preparation is published in the electronic publication for public announcements which is issued by the Manager of the Register of Legal Entities and newspaper “Verslo žinios”.
- 3.3.7. From the day of publication about preparation of the Terms of Reorganization, the public joint - stock company “Invalidos nekilnojamojo turto fondas” shall acquire the legal status of the company participating in the reorganization and public joint-stock company “INVL Baltic Real Estate” shall acquire the legal status of the company being reorganized.
- 3.3.8. Creditors of the Company participating in the Reorganization and the Company being Reorganized may submit their claims from the first day of publication of the Terms of Reorganization until the Meeting of the Company participating in the Reorganization and the Meeting of the Company being Reorganized.
- 3.3.9. The decision regarding Reorganization, approval of the Terms of Reorganization and approval of the Articles of Association of the Company participating in the Reorganization, that will continue its operations after the Reorganization, will be adopted by the Meeting of the Company participating in the Reorganization and the Meeting of the Company being Reorganized not earlier than 30 days from the day on which the Manager of the Register of Legal Entities announces about Terms of Reorganization received.
- 3.3.10. Documents confirming the decisions regarding the Reorganization taken by the Meeting of the Company participating in the Reorganization and the Meeting of the Company being Reorganized will be submitted to the Manager of the Register of Legal Entities not later than within 5 days of the corresponding meeting.
- 3.3.11. The Reorganization will be completed after the fulfilment of all below stated conditions:
 - the Register of Legal Entities will register new wording of Articles of Association of the Company participating in the Reorganization changing the authorized capital of the company and the name herein;
 - the Register of Legal Entities will deregister the Company being Reorganized;
 - the shareholders of the Company being Reorganized will receive shares of the Company participating in the Reorganization in exchange of the shares held in the Company being Reorganized.

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4. THE INFORMATION ABOUT THE COMPANY PARTICIPATING IN THE REORGANIZATION AND THE COMPANY BEING REORGANIZED

4.1. The Company participating in the Reorganization after the Company being Reorganized is merged and ceases to operate as a legal person as indicated in these Terms of Reorganization, on the day of Completion of the Reorganization shall take over all assets, rights and liabilities of the Company being Reorganized, including assets, rights and liabilities not indicated in financial statements of the Company being Reorganized, without signing any deeds of transfer – acceptance and shall continue its operations.

4.2. Company participating in the Reorganization:

4.2.1 The data on the Company participating in the Reorganization as of the Day of preparation of the Terms of Reorganization:

	Description
Name of the legal entity	Public joint-stock company „Invalidos nekilnojamojo turto fondas“
Legal form of the legal entity	Public joint-stock company
Registered address	A. Juozapavičiaus str. 6, Vilnius
Company code	152105644
Register which accumulates and stores the data about the legal entity	The Register of Legal Entities of the Republic of Lithuania, manager – Vilnius Branch of Centre of Registers
VAT payer’s code	LT521056415
Authorized capital	33 265 440 LTL
Authorized capital converted in accordance with provisions of Republic of Lithuania Law on redenomination to the euro of the capital and of the nominal value of securities of public limited liability companies and private limited liability companies and amendment of the articles of association of these companies	9 646 977,60 EUR
Fully paid authorized capital	33 265 440 LTL / 9 646 977,60 EUR
Number of shares	33 265 440 units
Nominal value per one share	1 LTL
Nominal value per one share converted in accordance with provisions of Republic of Lithuania Law on redenomination to the euro of the capital and of the nominal value of securities of public limited liability companies and private limited liability companies and amendment of the articles of association of these companies	0,29 EUR
Class of the shares	Ordinary registered shares
Type of the shares	Uncertificated
ISIN code of the shares	LT0000127151
Regulated market on which the shares are traded	Not traded
Share account manager	Public joint-stock company brokerage house “Finasta”

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4.2.2 The data on the Company participating in the Reorganization after the Completion of the Reorganization:

	Description
Name of the legal entity	Public joint-stock company “INVL Baltic Real Estate”
Legal form of the legal entity	Public joint-stock company
Registered address	Šeimyniškių str. 1A, Vilnius
Company code	152105644
Register which accumulates and stores the data about the legal entity	The Register of Legal Entities of the Republic of Lithuania, manager – Vilnius Branch of Centre of Registers
The VAT payer’s code	LT521056415
Authorized capital	12 535 613,08 EUR
Fully paid authorized capital	12 535 613,08 EUR
Number of shares	43 226 252 units
Nominal value per one share	0,29 EUR
Class of the shares	Ordinary registered shares
Type of the shares	Uncertificated
ISIN code of the shares	LT0000127151
Regulated market on which the shares are traded	NASDAQ OMX Vilnius. The aim is to include the shares in the market within minimal required time indicated in legal acts.
Share account manager	Public joint-stock company brokerage house “Finasta”

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4.3. The data on the Company being Reorganized:

	Description
Name of the legal entity	Public joint-stock company “INVL Baltic Real Estate”
Legal form of the legal entity	Public joint-stock company
Registered address	Šeimyniškių str. 1A, Vilnius
Company code	303299735
Register which accumulates and stores the data about the legal entity	The Register of Legal Entities of the Republic of Lithuania, manager – Vilnius Branch of Centre of Registers
The VAT payer’s code	Not VAT payer
Authorized capital	2 042 865,85 EUR
Fully paid authorized capital	2 042 865,85 EUR
Number of shares	7 044 365 units
Nominal value per one share	0,29 EUR
Class of the shares	Ordinary registered shares
Type of the shares	Uncertificated
ISIN code of the shares	LT0000128746
Regulated market on which the shares are traded	NASDAQ OMX Vilnius.
Share account manager	Public joint-stock company brokerage house “Finasta”

5. EXCHANGE RATIO OF THE SHARES OF THE COMPANY PARTICIPATING IN THE REORGANIZATION FOR THE SHARES OF THE COMPANY BEING REORGANIZED, AND THE SUBSTANTIATION THEREOF.

THE NUMBER OF SHARES OF THE COMPANY PARTICIPATING IN THE REORGANIZATION AND OPERATING AFTER THE REORGANIZATION ACCORDING TO THEIR CLASSES AND NOMINAL VALUE.

THE RULES OF SHARE ALLOCATION TO THE SHAREHOLDERS

5.1. As of the Day of preparation of the Terms of Reorganization:

- the authorized fully paid up capital of the Company being Reorganized is 2 042 865,85 EUR (two million forty-two thousand eight hundred sixty-five euro and eighty-five cent). It is divided into 7 044 365 (seven million forty-four thousand three hundred sixty-five) ordinary registered shares with nominal value of 0,29 (twenty-nine hundredths) EUR each. As of the Day of preparation of the Terms of the Reorganization the Company being Reorganized has not acquired its own shares;

- the authorized fully paid capital of the Company participating in the Reorganization is 9 646 977,60 EUR (nine million six hundred forty-six thousand nine hundred seventy-seven euro and sixty cent). It is divided into 33 265 440 (thirty-three million two hundred sixty-five thousand four hundred forty) ordinary registered shares with nominal value of 0,29 (twenty-nine hundredths) EUR each. As of the Day of preparation of the Terms of Reorganization the Company participating in the Reorganization has not acquired its own shares.

5.2. The exchange ratio at which the shares of the Company being Reorganized is exchanged to the shares of the Company participating in the Reorganization – 6,136287941, i.e. for every share of the Company being Reorganized shareholder of the Company being Reorganized shall get 6,136287941 ordinary registered shares with nominal value of 0,29 EUR each of the Company participating in the Reorganization (total number of shares of each shareholder shall be rounded to the whole share according to the rules of arithmetic).

5.3. Substantiation of the shares exchange ratio:

5.3.1. As of the Day of preparation of the Terms of Reorganization, the Company being Reorganized is the sole shareholder of the Company participating in the Reorganization, which owns 33 265 440 ordinary registered shares with nominal value of 0,29 EUR of the Company participating in the Reorganization;

5.3.2. Shares of the Company participating in the Reorganization are the main asset of the Company being Reorganized.

5.3.3. Asset of the Company participating in the Reorganization is real estate objects assessed according to the market value by the independent property valuers. The value of the objects is indicated in the audited set of annual financial statements of the 31 of December, 2014;

5.3.4. Considering the paragraphs 6.2.1 – 6.2.3 it is concluded that equity capital of the both companies – Company participating in the Reorganization and the Company being Reorganized, essentially corresponds real market value and the exchange ratio of the shares is established according to the equity capital of the corresponding company of 31 of December, 2014. Equity capital of the Company participating in the Reorganization – 38 526 000 LTL, equity capital of the Company being Reorganized – 50 062 000 LTL (data of the audited set of annual financial statements of 2014).

5.3.5. one ordinary registered share with the nominal value of 0,29 EUR of the Company being Reorganized equals 7,106673 LTL (2,058234826 EUR) of the equity capital of this company;

5.3.6. one ordinary registered share with the nominal value of 0,29 EUR of the Company participating in the Reorganization equals 1,158139 LTL (0,335420209 EUR) of the equity capital of this company;

5.3.7. the exchange ratio of the shares is established according to the part of the equity capital for one

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share: 7,106673 (2,058234826 euro) /1,158139 (0,335420209 euro);

- 5.4. According to the exchange ratio established the authorized capital of the Company participating in the Reorganization operating after the Reorganization shall be equal to 12 535 613,08 EUR, and shall be divided into 43 226 252 ordinary registered shares with nominal value of 0.29 EUR each.
- 5.5. In order to ensure smooth implementation of the share exchange procedure stated in the Terms of Reorganization, the trading in NASDAQ OMX Vilnius Stock Exchange of the shares of the Company being Reorganized will be suspended not later than 5 (five) business days until the Meeting of the Company being Reorganized. Shares of the Company participating in the Reorganization will be included in the list of NASDAQ OMX Vilnius Stock Exchange within the minimal time limits indicated in legal acts (Shares of the Company being Reorganized will not be traded after the suspension in the aforesaid time limits until the shares of the Company participating in the Reorganization will be included in the list of NASDAQ OMX Vilnius Stock Exchange).
- 5.6. If a fractional amount occurs while calculating a size of a new authorized capital and/or exchanging the shares of the Company participating in the Reorganization for the shares in the Company being Reorganized as indicated in the Terms of Reorganization, the fraction will be rounded to a whole number using arithmetic rounding rules: (i) if the first digit of decimal fractional part is figure 5 or bigger, 1 is added to the last digit of the whole number; (ii) if the first digit of the decimal fractional part is less than 5, the last digit of the whole number will remain unchanged.
- 5.7. If due to arithmetic rounding the total sum of shares of the Company participating in the Reorganization is larger or smaller than the number of shares indicated in paragraph 4.2.2., the number of shares held by the largest shareholder will be adjusted accordingly up or down.

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6. THE PROCEDURE AND TIME LIMITS OF THE ISSUE OF SHARES OF THE COMPANY OPERATING AFTER THE REORGANIZATION

- 6.1. At the end of the Day of Exchange of Shares, the shareholders of the Company being Reorganized on the basis of these Terms of Reorganization shall dispose shares of the Company being Reorganized and obtain 6,136287941 shares of the Company participating in the Reorganization.
- 6.2. The share account managers of the Company participating in the Reorganization and the Company being Reorganized in accordance with the Terms of Reorganization and the legal acts regulating the procedure shall make the necessary records confirming the disposal of the ownership of the shares in the Company being Reorganized and acquisition of the ownership of the shares in the Company participating in the Reorganization.
- 6.3. The shares of the Company participating in the Reorganization after the Completion of the Reorganization will be included in NASDAQ OMX Vilnius Stock Exchange Secondary list according to the procedure laid down in the legal acts.
- 6.4. All rights granted by the shares of the Company participating in Reorganization that will continue its operations after the Reorganization will be obtained on the day the ownership rights are obtained.

7. THE PRICE DIFFERENCE, PAID OUT IN CASH, BETWEEN THE SHARES HELD BY THE SHAREHOLDERS AND THE SHARES TO BE RECEIVED IN THE COMPANY PARTICIPATING IN REORGANIZATION THAT WILL CONTINUE ITS OPERATIONS AFTER THE REORGANIZATION

- 7.1. There will be no price difference between the shares exchanged, therefore there will be no payments in cash.

8. THE MOMENT FROM WHICH THE SHAREHOLDERS OF THE COMPANY BEING REORGANIZED SHALL BE ENTITLED TO PARTICIPATE IN THE PROFITS OF THE COMPANY PARTICIPATING IN THE REORGANIZATION AND ALL TERMS RELATED TO THE GRANTING OF THIS RIGHT

- 8.1. The shareholders of the Company being Reorganized shall be entitled to participate in the profit of the Company participating in the Reorganization from the Day of Exchange of Shares, i.e. the shareholders shall be entitled to receive dividends from the Company participating in the Reorganization from the day mentioned before.

9. THE MOMENT FROM WHICH THE ASSETS, RIGHTS AND LIABILITIES OF THE COMPANY BEING REORGANIZED SHALL BE ASSUMED TRANSFERRED TO THE COMPANY PARTICIPATING IN THE REORGANIZATION.

THE MOMENT FROM WHICH THE CONTRACTUAL RIGHTS AND LIABILITIES OF THE COMPANY BEING REORGANIZED SHALL BE ASSUMED TRANSFERRED TO THE COMPANY PARTICIPATING IN THE REORGANIZATION AND THE TRANSACTIONS SHALL BE INCLUDED INTO ITS ACCOUNTING

- 9.1. All the assets, rights and liabilities of the Company being Reorganized, all the contractual rights and liabilities of the Company being Reorganized shall be assumed transferred to the Company participating in the Reorganization and the transactions shall be included into its accounting on the basis of these Terms of Reorganization without additionally signing of transfer – acceptance deeds at the end of the day the Company being Reorganized is deregistered from the Register of Legal Entities.
- 9.2. From the day the Company being Reorganized is deregistered from the Register of Legal Entities the rights to manage, use and dispose the funds available in the bank accounts of the Company being Reorganized shall be transferred to the Company participating in the Reorganization or these accounts shall be closed and the funds in them shall be transferred to the Company participating in the Reorganization.
- 9.3. Rights to the assets of the Company being Reorganized that shall be registered according to the legal acts, duties of the Company being Reorganized related to the assets that shall be registered as well as take-over of other duties that shall be registered according to the legal acts, shall be registered if registration is necessary according to mandatory legal norms. Limitations to the rights to the assets that shall be registered, duties related to the assets that shall be registered and other duties that shall be registered according to mandatory legal norms are transferred to the Company participating in the Reorganization from the moment these limitations of the rights and/or duties are registered/re-registered according to the legal acts if this is needed according to mandatory legal acts of the Republic of Lithuania.
- 9.4. The Company participating in the Reorganization takes-over all the assets, rights and duties of the Company being Reorganized, including but not limited, assets, rights and duties not stated in the financial statements as well as all the tax rights and duties, including but not limited, rights and duties that might emerge after the tax administrator or other state institutions add on arrears or fines according to the legal acts for the operations of the Company being Reorganized until the day of deregistration from the Register of Legal Entities.
- 9.5. If any assets, rights or liabilities of the Company being Reorganized that are not mentioned earlier will come out after the day of deregistration of the Company being Reorganized from the Register of Legal Entities, they will be transferred to the Company participating in the Reorganization by the procedure provided in paragraph 9.1. of these Terms of Reorganization.
- 9.6. From the day the Company being Reorganized is deregistered from the Register of Legal Entities:
 - 9.6.1. all the assets as well as the rights and liabilities assigned to those assets will be transferred to the Company participating in the Reorganization and included into the accounting of the Company participating in the Reorganization on the basis of these Terms of Reorganization, if otherwise is not provided by mandatory legal acts;
 - 9.6.2. all rights and liabilities related to the assets transferred including contractual rights and liabilities of the Company being Reorganized will be transferred to the Company participating in the Reorganization and will be included into the accounting of the Company participating in the Reorganization if otherwise is not provided by mandatory legal acts or contracts of the Company being Reorganized. If according to mandatory legal acts of the Republic of Lithuania or contracts of the Company being Reorganized the approval of a creditor is required for the transfer of particular liabilities, such liabilities are assigned to the Company participating in the Reorganization from the moment of receiving of particular approval of the creditor, if such moment is subsequent to the moment of assignment of liabilities stated in the Terms of

Reorganization. If such approval is not received the Company participating in the Reorganization will put all efforts in order to agree on a replacement of liabilities of the similar content and value;

- 9.6.3. the Company participating in the Reorganization will start fulfilment of the assigned contractual liabilities in line with the provisions of the contracts.
- 9.7. The drawing up and publication of the Terms of Reorganization will not restrict the right of the Company participating in the Reorganization and the Company being Reorganized to conduct their activity provided in the Articles of Association.
- 9.8. The Company participating in the Reorganization, within the period from publication of the Terms of Reorganization till the Completion of the Reorganization, while signing contracts, will inform another party of its legal status.
- 9.9. The Company being Reorganized, within the period from publication of the Terms of Reorganization till the Completion of the Reorganization, while signing contracts, will inform another party about its legal status and about the transfer of rights and/or liabilities under such contract on the basis of these Terms of Reorganization.

10. THE RIGHTS OF CREDITORS AT THE MOMENT OF REORGANIZATION

- 10.1. The rights of the creditors of the Company participating in the Reorganization and the Company being Reorganized are protected by Article 2.101 of the Civil Code of the Republic of Lithuania and Article 66 of the Law on Companies of the Republic of Lithuania.
- 10.2. The information about the drawn up of Terms of Reorganization will be published one time in the electronic publication for public announcements which is issued by the Manager of the Register of Legal Entities and newspaper “Verslo žinios” and provided to all creditors of the Company participating in the Reorganization and the Company being Reorganized in writing (by registered post or in person).
- 10.3. Each creditor of the Company participating in the Reorganization and the Company being Reorganized will have a right to require to terminate or early discharge of liabilities according to the agreements, also indemnify losses if this is provided in the agreements or there is a ground for believing that the Reorganization will hinder the discharge of the liability and in case of the request of the creditors, the company will not be able to provide additional safeguards. The creditors may provide their requests from the first day of publication of the Terms of Reorganization until the meeting of the corresponding company will adopt the resolution of the approval of the Reorganization.
- 10.4. The Company participating in the Reorganization and the Company being Reorganized must provide additional safeguards for the discharge of liabilities to each creditor who so requests, where his rights arose and did not expire before the publication of the drawn up Terms of the Reorganization and there is a ground for believing that the Reorganization will hinder the discharge of a liabilities.
- 10.5. The Company participating in the Reorganization and/or the Company being Reorganized may refrain from providing additional safeguards for the discharge of liabilities if the discharge of its liabilities to the creditor is adequately secured by pledge, mortgage, surety or guarantee.
- 10.6. The documents for the registration of the Articles of Association of the Company participating in the Reorganization and deregistration of the Company being Reorganized thereof may not be submitted to the Manager of the Register of Legal Entities if no additional safeguards for the discharge of liabilities have been provided to the creditor who so requested as laid down in these Terms of Reorganization as well as before a court’s decision becomes effective if the dispute over additional safeguards for the discharge of liabilities is being heard in court.

11. THE RIGHTS GRANTED BY THE COMPANY PARTICIPATING IN THE REORGANIZATION THAT WILL CONTINUE ITS OPERATIONS AFTER THE REORGANIZATION TO THE HOLDERS OF THE SHARES OF DIFFERENT CLASSES, DEBENTURES AND OTHER SECURITIES

- 11.1. There are no any other securities issued by the Company participating in the Reorganization than 33 265 440 ordinary registered shares with nominal value of 0,29 EUR each. The proprietary and non-proprietary rights of the owners of those shares are described by legal acts and the Articles of Association of the company thereof.
- 11.2. From the Day of preparation of the Terms of Reorganization till the Completion of the Reorganization there are no plans to issue additional securities. If any additional securities are issued, these Terms of Reorganization will cease to be valid.
- 11.3. After the Completion of the Reorganization the Company participating in the Reorganization will have been issued 43 226 252 ordinary registered shares with nominal value of 0,29 EUR each.
- 11.4. After the Completion of the Reorganization ordinary registered shares of the Company participating in the Reorganization will grant to shareholders rights set up in the relevant legal acts and the Articles of Association.

12. THE SPECIAL RIGHTS GRANTED TO THE MEMBERS OF THE BODIES OF THE COMPANY PARTICIPATING IN THE REORGANIZATION AND THE COMPANY BEING REORGANIZED AND TO EXPERTS CARRYING OUT THE ASSESSMENT OF THE TERMS OF REORGANIZATION

- 12.1. The Terms of Reorganization are assessed and the report on assessment is prepared by UAB “MOORE STEPHENS VILNIUS”. The report on assessment shall include:
 - 12.1.1. findings on validity and fairness of the exchange ratio;
 - 12.1.2. methods used to determine the exchange ratio and findings on validity of these methods and impact on the valuation of the shares;
 - 12.1.3. description of assessment difficulties.
- 12.2. Rights granted to UAB “MOORE STEPHENS VILNIUS” while assessing the Terms of Reorganization:
 - 12.2.1. receive all the documents needed to assess and prepare the report on assessment of the Terms of Reorganization;
 - 12.2.2. receive all the information needed to assess and prepare the report on assessment of the Terms of Reorganization as well as get the explanations of the managers and employees of the Company participating in the Reorganization and the Company being Reorganized;
 - 12.2.3. all the other rights provided in the agreement with UAB “MOORE STEPHENS VILNIUS” and the legal acts of the Republic of Lithuania
- 12.3. As provided in the Articles of Association of the Company being Reorganized the bodies of the company thereof are the following: the general meeting of shareholders, the Board (elected from 3 members) and the Manager (Director). Authorization of the Board and the Manager will cease to be valid from the day the Company being Reorganized is deregistered from the Register of Legal Entities.
- 12.4. As provided in the Articles of Association of the Company participating in the Reorganization the bodies of the company thereof are the following: the general meeting of shareholders, the Board (elected from 3 members) and the Manager (Director).
- 12.5. The structure of the managing bodies of the Company participating in the Reorganization that will continue its operations after the Reorganization will not change after Completion of the Reorganization. Board of the Company participating in the Reorganization will be elected from 3 members for period of 4 years by the General meeting of shareholders of the Company participating in the Reorganization. Chairman of the board and the director of the Company participating in the

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- Reorganization will be elected in the meeting of the Board, which will take place after General meeting of the shareholder of the Company participating in the Reorganization.
- 12.6. The shareholders of the Company participating in the Reorganization that will continue its operations after the Reorganization will have all proprietary and non-proprietary rights stated by the Articles of Association of the company thereof and legal acts.
- 12.7. The Board members, Managers and employees of the Company participating in the Reorganization and the Company being Reorganized during the Reorganization will have all rights intended in agreements and the Articles of Association of the companies thereof and as well as legal acts.
- 12.8. The Boards of the Company participating in the Reorganization and the Company being Reorganized:
- 12.8.1. prepare the report of the corresponding Board regarding the Reorganization;
 - 12.8.2. make decisions and perform other actions related with the Reorganization and intended in these Terms of Reorganization, decisions of the general meetings of shareholders and corresponding legal acts;
 - 12.8.3. manage the Reorganization and control its course of the corresponding company;
 - 12.8.4. have all other duties and rights stated by legal acts and the Articles of Association of the corresponding company.
- 12.9. The Managers of the Company participating in the Reorganization and the Company being Reorganized:
- 12.9.1. within their competence take decisions and conduct all actions related with the Reorganization and provided in the Terms of Reorganization and resolutions of the Board of the corresponding company;
 - 12.9.2. ensure publication of information and documentation if it is required by mandatory legal acts;
 - 12.9.3. in accordance with the requirements of law ensure publication of the information about drawn up Terms of Reorganization as well as submission of the Terms of Reorganization and other related documents to the Managers of the Register of Legal Entities;
 - 12.9.4. ensure the disclosure of decisions related with the Reorganization in accordance with the requirements provided by laws;
 - 12.9.5. submit the information and documentation related with the Reorganization to the shareholders and creditors of the corresponding company;
 - 12.9.6. makes decision on provision of additional safeguards for discharge of liabilities to each creditor of the corresponding company;
 - 12.9.7. before the Completion of the Reorganization signs the agreements on behalf of the corresponding company;
 - 12.9.8. at the time of the Reorganization managers of the Company being Reorganized and the Company participating in the Reorganization have all other liabilities and rights stated by legal acts and the Articles of Association of the corresponding company.

13. THE COMPLETION OF THE REORGANIZATION

- 13.1. The Reorganization shall be completed at the Completion of the Reorganization, i.e. from the moment when:
- 13.1.1. the amended Articles of Association of the Company participating in the Reorganization that continues its operations after the Reorganization will be registered by the Register of Legal Entities;
 - 13.1.2. the Company being Reorganized will be deregistered from the Register of Legal Entities;
 - 13.1.3. Shareholders of the Company being Reorganized receive shares of the Company participating in the Reorganization in exchange of held shares of the Company being Reorganized.

14. ANNEXES OF THE TERMS OF REORGANIZATION

- 14.1. 1 Annex – copy of the decision of the sole shareholder of the public joint-stock company “Invalidos nekilnojamojo turto fondas” held on 30 April, 2015.
- 14.2. 2 Annex - copy of the minutes general meeting of shareholders of the public joint-stock company “INVL Baltic Real Estate” held on 30 April, 2015.
- 14.3. 3 Annex – New wording of the Articles of Association of the public joint-stock company “INVL Baltic Real Estate”.
- 14.4. 4 Annex – Report of Assessment of the Term of Reorganization.
- 14.5. 5 Annex – public joint-stock company “Invalidos nekilnojamojo turto fondas” report of the Board on the intended Reorganization.
- 14.6. 6 Annex – public joint-stock company “INVL Baltic Real Estate” report of the Board on the intended Reorganization.
- 14.7. 7 Annex – set of financial statements of the joint-stock company “Invalidos nekilnojamojo turto fondas” prepared as of 31 December, 2014.
- 14.8. 8 Annex - set of financial statements of the joint-stock company “INVL Baltic Real Estate” prepared as of 31 December, 2014.