Approved by the Shareholder's Decision
of July 20th, 2026

Joint Stock Company
Short Term GEL Fund
Charter

Tbilisi
2026

ნაწილობრივ შეცვლილია

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1. Definitions

1.1. **Return** – As defined by the Offering Terms.

1.2. **Asset Management Company** – BOG Asset Management LLC (I/N: 404696389), a legal entity licensed by the National Bank of Georgia in accordance with the Law of Georgia on Investment Funds and the Order №167/04 of the President of the National Bank of Georgia of September 22, 2020, on the Approval of Rules for Licensing, Registration, Recognition, and Regulation of Asset Management Companies, which manages the investment fund.

1.3. **Unitholder** – A person who owns a unit in an investment fund.

1.4. **Investment Fund / Fund** – A joint-stock company established based on this document.

1.5. **Investment Fund Unit / Unit** – A financial instrument that is a share in the investment fund.

1.6. **Investment Fund Investor / Investor** - A current or potential holder of the unit(s), as provided by the legislation of Georgia, a natural or legal person, or an entity without legal status.

1.7. **Offering Terms / Memorandum** - A written notice or a notice via electronic or printed informational media for the purposes of offering the units of the respective fund for sale.

2. General Provisions

2.1. Joint Stock Company Short Term GEL Fund is a joint stock company established in accordance with the legislation of Georgia.

2.2. Investment Fund is a legal entity. Its rights and obligations are set forth by this document, Law of Georgia on Investment Funds (as amended from time to time), Law of Georgia on Entrepreneurs (as amended from time to time), the Offering Terms and other laws of Georgia.

2.3. For the avoidance of any doubt, any and all amendments to this document require the consent/approval from the National Bank of Georgia prior to making such amendments and registering the renewed version of this document in the Public Registry of Entrepreneurs and Non-Entrepreneurial (Non-Commercial) Legal Entities.

2.4. The fund has the trade name and other attributes of a legal entity:

- Full name in Georgian: სააქციო საზოგადოება ლარის მოკლევადიანი ფონდი.
- Abbreviated name in Georgian: სს ლარის მოკლევადიანი ფონდი.
- Full name in English: Joint Stock Short Term GEL Fund.
- Abbreviated name in English: JSC Short Term GEL Fund.

2.5. Legal address of the Fund is: N3, Pushkini Street, Krtsanisi District, Tbilisi, Georgia.

2.6. The term of the Fund's activity is unlimited.

2.7. The Fund's financial year coincides with a calendar year. It consists of 12 months, begins on January 1st and ends on December 31st.

2.8. The purpose of establishment of the Fund is to carry out investment activities in accordance with the Law of Georgia on Investment Funds, the Offering Terms, and this charter.

2.9. The Fund has separated assets, can act in legal relations on its own behalf, can acquire property and non-property rights and undertake liabilities, be a plaintiff and defendant at the court, including arbitration and intermediate courts.

2.10. The Fund has an independent financial statement, can open the settlement and other accounts (including the currency and/or brokerage account) in Georgia and abroad.

2.11. The Investment Fund is an open-end, registered investment fund (a fund for sophisticated investors).

2.12. The Investment Fund is not a feeder fund as defined by the legislation on investment funds, as it will not invest at least 85% of its own assets in another investment fund or its sub-fund.

2.13. The Investment Fund is not a master fund as defined by the legislation on investment funds.

2.14. The Investment Fund is not a stand-alone fund as defined by the legislation on investment funds.

2.15. The maximum amount within which the Fund may issue Units is 250,000,000 (two hundred and fifty million) GEL.

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3. **Subject of Activity**

3.1. The Fund carries out its activities pursuant to the Law of Georgia on Investment Funds (as amended from time to time), the Law of Georgia on Entrepreneurs (as amended from time to time), the Offering Terms and other legislative acts of Georgia.

3.2. The Fund is entitled to conduct investment and/or any other activities which directly or indirectly serve its objectives, and to participate in a fund having the same or similar objectives, but only on the condition that any and all such operations will be related to the management of its own portfolio and will be carried out in accordance with paragraphs 1 and 2 of Article 25 of the Law of Georgia on Investment Funds.

3.3. The primary objective of the investment activities of the Investment Fund is to generate Returns in accordance with a prefixed investment risk appetite and through diversified investments while adhering to transparent and prudent investment principles, and for them to be received by the Unitholders.

3.4. Any and all material information related to the Investment Fund Units is disclosed in this charter and the Offering Terms, which may be requested by any potential Investor by contacting the Asset Management Company.

3.5. The fundamental aspects of the investment policy/strategy of the Investment Fund are set forth in Article 13 of this charter and the Offering Terms.

4. **Issuance and Purchase of Investment Fund Units**

4.1. The purchase of an Investment Fund Unit must be carried out though a brokerage company/brokerage account registered in Georgia. To purchase the Fund Units, the Investor must contact a brokerage company licensed and operating in Georgia, with which the Investment Fund has a signed agreement.

4.2. Before purchasing an Investment Fund Unit, the Investor must carefully review the Offering Terms of the Investment Fund Unit, which will be provided by the Asset Management Company and/or the relevant brokerage company to all interested Investors.

4.3. The target Investors of the Investment Fund will be Sophisticated Investors (as defined by the legislation of Georgia); however, within the limits established by the legislation of Georgia, the Investment Fund's Unitholder may also be a non-sophisticated investor.

4.4. The new Units may be issued at the sole discretion of the Asset Management Company and as it deems appropriate, without any consent from the Unitholders, on any business day of a calendar month.

4.5. The Net Asset Value (NAV) shall be determined in accordance with the unit valuation policy developed by the Asset Management Company. The NAV shall be determined and disclosed on each day on which units are issued or redeemed, but in any event not less frequently than once every two weeks.

4.6. Without prejudice to Clause 4.1. of this document, a title of ownership for the Unit shall be transferred to a person (Unitholder) upon recording the ownership right as such in the relevant registry, maintained by the Asset Management Company, and if according to the respective entry in the registry of the Unitholders, the Unit is transferred into nominal ownership, the title of ownership shall be determined by the nominal holder's records.

4.7. The registry of the Investment Fund Units is maintained by the Asset Management Company.

5. **Investment Fund Management**

5.1. The unrestricted managerial and representative powers are vested upon BOG Asset Management LLC (I/N: 404696389) (Asset Management Company), which includes, among other things, without limitation, investment portfolio and risk management.

5.2. In addition to the powers envisaged in Clause 5.1., the Asset Management Company performs the following functions (on behalf of/for the Fund):

5.2.1. Administration, which entails/includes:

5.2.1.1. Providing legal and accounting services necessary for the management of the Investment Fund;

5.2.1.2. Communicating with the Investors and responding to their inquiries;

5.2.1.3. Valuation and pricing, including tax reporting;

5.2.1.4. Monitoring compliance with the legislation of Georgia;

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5.2.1.5. Maintaining the registry of the Unitholders;
5.2.1.6. Distribution of Returns;
5.2.1.7. Issuance and redemption of the Units;
5.2.1.8. Settlements specified in this document;
5.2.1.9. Record-keeping and storage.

5.2.2. Offering the Units to the Investors. However, this does not entail that the Asset Management Company has the exclusive obligation to be the only entity carrying out the offering of the Units. The offering of the Units may as well be carried out through any intermediary of the securities market, either directly or through their agents;

5.2.3. Approving and amending any policies and any other regulatory documents related to the Investment Fund, except for the matters set forth in sub-clause 6.2.3 of the founding document that require the decision to be made by the general meeting);

5.2.4. Convening the general meetings of the Unitholders as required in the interests of the Investment Fund;

5.2.5. Performing any other activities related to the Investment Fund assets the provision of which are not explicitly prohibited under the legislation of Georgia for asset management company, including, but not limited to, services necessary to fulfil fiduciary duties of the asset management company, manage facilities and buildings, administer real estate, consult on capital structure, production strategies, and related issues that are associated with the activities/objectives of the Investment Fund.

5.3. The powers specified in Clauses 5.1. and 5.2. of this document may be delegated, in compliance with the requirements of the legislation of Georgia.

5.4. Without prejudice to Clause 5.3., as of the registration date of this document, the Asset Management Company is already performing the administrative functions of the Investment Fund, as stipulated by the legislation of Georgia and such administrative functions have not been delegated to any third party, and no specialized depository is involved in the management and administration of the Investment Fund.

5.5. If the Investment Fund acquires any voting rights through the purchase of a financial instrument (meaning bonds), the Asset Management Company shall exercise such voting rights in accordance with the internal voting policy of the Asset Management Company.

5.6. The Investment Fund does not have a supervisory board. Functions assigned to a supervisory board under the legislation of Georgia are distributed between the general meeting of the Unitholders and the Asset Management Company under this document.

5.7. When managing the Investment Fund, the Asset Management Company primarily considers the strategic/investment objectives outlined in this document and the Offering Terms, and it plans and conducts its activities to achieve these objectives.

5.8. The Asset Management Company has the authority to manage the Investment Fund's assets at its discretion, in accordance with the principles and rules set out in this document and the Offering Terms, but in no case requiring additional consent, acceptance, and/or any other form of approval from the Unitholders, unless explicitly stated otherwise in this charter.

5.9. The Asset Management Company may, at its discretion and without prior notice or consent/decision of the Unitholders, amend the chapter of "Risk Profile" in the Memorandum, as well as any information related to the risk disclosure regarding the Unit, and/or other non-material provisions of the Memorandum. For the avoidance of any doubt, any amendments to the chapter of "Risk Profile" in the Memorandum, as well as any information related to the risk disclosure regarding the unit, and/or other non-material provisions of the Memorandum require prior approval from the National Bank of Georgia.

5.10. The termination of the managerial and representative powers of the Asset Management Company, the dismissal, the replacement, or the termination of the agreement with the Asset Management Company may occur only in the following circumstances:

5.10.1. A legally binding court decision confirms that the Asset Management Company has committed a criminal offense under the legislation of Georgia;

5.10.2. A legally binding court decision confirms that the Asset Management Company has intentionally and materially violated essential requirements set out in this document and/or the legislation of Georgia;

5.10.3. The license of the Asset Management Company is revoked;

5.10.4. Liquidation or insolvency proceedings are initiated against the Asset Management Company;

5.10.5. The termination of the agreement between the Investment Fund and the Asset Management Company is required by the National Bank of Georgia.

5.11. For the avoidance of any doubt, the Investment Fund does not have internal staff or a board, and its management is fully carried out by the Asset Management Company, which holds full and exclusive authority to manage and represent the Fund, and operates in accordance with the charter of the Investment Fund and any agreement concluded with it (if applicable).

5.12. In the event of liquidation of the Asset Management Company, and/or dismissal of the Asset Management Company and/or termination of the agreement with it by the Investment Fund, the Investment Fund shall within 30 (thirty) calendar days ensure the appointment of a new asset management company. In such cases, the Asset Management Company is obligated to promptly transfer all documentation and any information in its possession in full to the newly appointed asset management company.

5.13. The investment policy and strategy of the Investment Fund, including a detailed description of the types of assets in which it intends to invest, the investment objectives of the Investment Fund, details of the mechanisms and timelines for the issuance and redemption of the Units, information regarding with the risk management of the Investment Fund and the Asset Management Company, including credit and liquidity risk management issues, information on strategic and/or targeted allocation of assets, benchmark portfolio, rebalancing policy, and reporting obligations (which includes, among other things, the type and periodicity of information to be provided) are detailed in the document of the Offering Terms of the Investment Fund Units.

6. Rights and Obligations of Unitholders and General Meeting of Unitholders

6.1. Each Unitholder of the Investment Fund is entitled to:

6.1.1. Request the redemption of their Units in accordance with the rules and procedures established by this document;

6.1.2. Request from the Asset Management Company the standards and procedures that are referenced to in this document and/or in the Offering Terms.

6.2. General Meeting of Unitholders

6.2.1. Convention of the general meeting of the Unitholders:

6.2.1.1. The regular general meeting of the Unitholders shall be convened by the Asset Management Company annually, at least within 3 (three) months following the end of the financial year. An extraordinary meeting of the Investment Fund shall be convened by the Asset Management Company or on the basis of the written request of the Unitholders holding at least 5% (five percent) of the Units. The decision to convene the general meeting of the Unitholders must be published within ten (10) business days from receiving such a request. The written request of the Unitholders for convening the general meeting of the Unitholders must specify the necessity, reason, and purpose of convening the general meeting of the Unitholders, along with its agenda, including all issues raised by the Unitholders.

6.2.1.2. The decision on convening the general meeting of the Unitholders must be published on the electronic portal of the registration authority and on the website of the Asset Management Company (if applicable), at least 21 (twenty-one) calendar days prior to the date of the general meeting of the Unitholders.

6.2.1.3. Any subsequent general meeting of the Unitholders may be convened earlier than the minimum period specified in sub-paragraph 6.2.1.2. if the general meeting of the Unitholders is convened due to lack of the quorum required for the first general meeting of the Unitholders, provided that the first general meeting of the Unitholders was convened in compliance with the rules established by the legislation of Georgia, and no additional issues were added to its agenda. In this case, there must be at least a 10-day interval between the date of the last general meeting of the Unitholders and the subsequent general meeting of the Unitholders.

6.2.1.4. The record date for the general meeting of the Unitholders must not be more than 30 (thirty) calendar days before the date of the general meeting of the Unitholders. In the case provided under sub-paragraph 6.2.1.3., there must be at least a 6-day interval between the date of convening the general meeting and the record date.

6.2.1.5. The general meeting of the Unitholders is deemed quorate and capable of making decisions if at least half of the Unitholders with voting rights are present or represented at the meeting. If the meeting lacks a quorum, a new meeting with the same agenda will be convened within a timeframe approved by the Asset Management Company but no less than 10 (ten) days later. The new meeting is quorate if at least 25% (twenty-five percent) of the Unitholders with voting rights are present or represented. If this meeting also lacks a quorum, another meeting with

the same agenda will be convened within a timeframe approved by the Asset Management Company but no less than 10 (ten) days later. The new meeting will be quorate regardless of the number of Unitholders present or represented.

6.2.1.6. The general meeting of the Unitholders is chaired by the Asset Management Company.

6.2.1.7. The minutes of the general meeting of the Unitholders shall be made available to all Unitholders, the Asset Management Company, and their representatives, upon request.

6.2.2. Representation at the general meeting of the Unitholders:

6.2.2.1. All Unitholders registered in the registry of the Unitholders as of the record date for the general meeting of the Unitholders are entitled to attend the meeting and participate in voting; If a nominal holder is listed as the Unitholder in the registry, such a nominal holder is authorized to attend the meeting.

6.2.2.2. A Unitholder is authorized to delegate their rights to another Unitholder or to any third party through a power of attorney. If the representative of the Unitholder cannot provide such a power of attorney, they will lose the right to attend and vote at the meeting.

6.2.2.3. The appointment of a representative and the notification of such an appointment to the Asset Management Company must be made in writing or electronically.

6.2.2.4. A representative has the same rights to speak and ask questions at the general meeting of the Unitholders as the Unitholder that they represent would have, unless otherwise specified in the power of attorney.

6.2.2.5. If the same person represents multiple Unitholders, they have the right to cast different votes for each Unitholder they represent.

6.2.3. The general meeting of the Unitholders shall consider and make decisions exclusively on the following matters:

6.2.3.1. Amendment of the charter of the Investment Fund and/or the adoption of a new version of the charter and/or amendments to the Offering Terms (except for the chapters of "Risk Profile", or any information related to the risk disclosure regarding the Units and/or non-material provisions of the Offering Terms);

6.2.3.2. Reorganization of the Investment Fund, unless otherwise provided by the legislation of Georgia;

6.2.3.3. Appointment and/or dismissal of the Asset Management Company, and/or conclusion and/or termination of a relevant agreement with it, pursuant to and without limitation of Clause 5.10. of this document;

6.2.3.4. Determining the remuneration and/or any other additional benefits for the Asset Management Company;

6.2.3.5. Approval of a transaction involving an interested party as defined by the Law of Georgia on Entrepreneurs;

6.2.3.6. Participation in legal proceedings against the Asset Management Company, including the appointment of a representative for such proceedings;

6.2.3.7. Amendment of the articles of association of the Fund.

6.2.4. Except for the matters provided in sub-paragraph 6.2.3., all other issues are decided unilaterally and exclusively by the Asset Management Company.

6.2.5. Decisions on the issues provided in sub-paragraph 6.2.3., except for those under sub-paragraphs 6.2.3.3 and/or 6.2.3.5, are made as follows:

6.2.5.1. If the issue is initiated/confirmed by the Asset Management Company – by a simple majority of the present or represented Unitholders with voting rights.

6.2.5.2. In other cases – by 100% of the Unitholders with voting rights.

6.2.6. A decision on the issue provided in sub-paragraph 6.2.3.3 of the document is made by 100% of the Unitholders with voting rights.

6.2.6.1. A decision on the issue provided in sub-paragraph 6.2.3.5 of the document is made by a simple majority of the present or represented Unitholders with voting rights.

6.3. A Unitholder and/or the general meeting of the Unitholders are not authorized to participate in the day-to-day management of the Investment Fund or to make decisions regarding matters related to the management of the Investment Fund.

6.4. Disposal of a Unit in any form, including encumbrance and/or alienation, requires a prior written consent of the Asset Management Company. Any such action taken without the prior written consent of the Asset Management Company has no legal effect.

6.5. The voluntary liquidation of the Investment Fund does not require the consent of the Unitholders. The decision on voluntary liquidation is made unilaterally, at the sole discretion of the Asset Management Company.

7. Distribution of Investment Fund Returns

7.1. The terms for the distribution of the Returns of the Investment Fund will be set forth in the Offering Terms.

8. Redemption of Investment Fund Units

8.1. Subject to this Article, a Unitholder shall be entitled, at any time following the expiration of a one (1)-week period from the acquisition of the relevant Investment Fund Units, to request from the Investment Fund the redemption of all or part of the Units owned by such Unitholder (Put Option). For the avoidance of any doubt, neither the Asset Management Company nor the Investment Fund shall be obliged to send a redemption offer to the Unitholders for the purpose of enabling the Unitholders to exercise the Put Option.

8.2. Information relating to the calculation of the Net Asset Value (NAV) and its disclosure to Investors, including the frequency of such calculation and disclosure, as well as the currency in which the NAV is calculated, is set out in the Investment Fund Units Offering Terms.

8.3. Where a Unitholder wishes to exercise the Put Option provided for under the Founding Documents of the Investment Fund, such Unitholder or its nominee holder shall notify the relevant brokerage company accordingly, which, on its part, shall promptly, and in any event no later than two (2) Business Days thereafter, notify the Asset Management Company of the Fund.

8.4. The redemption price payable upon the exercise of the Put Option shall be determined on the bases of the NAV. Specifically, for calculation purposes, the NAV as determined on the last Business Day preceding the settlement date shall be used.

8.5. The following limits shall apply to the exercise of the Put Option:

- **Individual Put Option Limit (5%)** - Each Unitholder may exercise the Put Option during any rolling three-month period in the amount not exceeding 5% of the Fund's NAV (the "**Individual Put Option Limit**"). For the purposes of calculating the Individual Put Option Limit, the relevant NAV shall be the NAV determined as of the date falling three months prior to the Fund's receipt of the relevant redemption request. If no NAV is available for such exact date, the NAV determined as of the immediately preceding Business Day shall be used. Where less than three (3) months have elapsed since the first issuance of the Investment Fund Units, the aggregate nominal value of the Units issued as of the time the Fund receives the Unit Holder's notice of exercise of the Put Option shall be used instead of the NAV for the purpose of calculating the Individual Put Option Limit during such initial three-month period. The Fund shall satisfy redemption requests falling within the Individual Put Option Limit, subject to compliance with all other applicable redemption limitations.
- **Maximum Quarterly Put Option Limit (25%)** - The aggregate amount of all redemption requests submitted by Unitholders during any rolling three-month period shall not exceed 25% of the Fund's NAV (the "**Maximum Quarterly Put Option Limit**"). For the purposes of calculating the Maximum Quarterly Put Option Limit, the relevant NAV shall be the NAV determined as of the date falling three months prior to the Fund's receipt of the relevant redemption request. If no NAV is available for such exact date, the NAV determined as of the immediately preceding Business Day shall be used. Where less than three (3) months have elapsed since the first issuance of the Investment Fund Units, the aggregate nominal value of the Units issued as of the time the Fund receives the Unit Holder's notice of exercise of the Put Option shall be used instead of the NAV for the purpose of calculating the Maximum Quarterly Put Option Limit during such initial three-month period.
- **Maximum Annual Put Option Limit (50%)** - The aggregate amount of all redemption requests submitted by Unitholders during any rolling twelve-month period shall not exceed 50% of the Fund's NAV (the "**Maximum Annual Put Option Limit**"). For the purposes of calculating the Maximum Annual Put Option Limit, the relevant NAV shall be the NAV determined as of the date falling twelve months prior to the Fund's receipt of the relevant redemption request. If no NAV is available for such exact date, the NAV determined as of the immediately preceding Business Day shall be used. Where less than twelve (12) months have elapsed since the first issuance of the Investment Fund Units, the aggregate nominal value of the Units issued as of the time the Fund receives the Unit Holder's notice of exercise of the Put Option shall be used instead of the NAV for the purpose of calculating the Maximum Annual Put Option Limit during such initial twelve-month period.

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For the avoidance of doubt, any exercise of the Put Option must simultaneously comply with the Individual Put Option Limit, the Maximum Quarterly Put Option Limit, and the Maximum Annual Put Option Limit.

8.6. Subject to the applicable limits, redemption requests submitted by Unitholders shall be satisfied by the Asset Management Company within three (3) Business Days from the date of receipt by the Asset Management Company of the relevant redemption request. For the avoidance of doubt, payment of the redemption proceeds shall be made within two (2) Business Days following the date on which the NAV is determined.

8.7. Redemption requests submitted by Unitholders shall be processed in the order in which the relevant redemption request is recorded by the brokerage company. Accordingly, the priority of satisfaction of redemption requests shall be determined based on the time at which the relevant redemption request is recorded with the brokerage company, in accordance with the "first come, first served" principle.

8.8. Upon payment by the Investment Fund of the redemption price of the relevant Unit (i.e., upon transferring the relevant amount to the bank account of the Unitholder or the nominee holder), such Unit shall be cancelled.

8.9. At any time, the Investment Fund shall have the right to redeem the Units held by any Unitholder who does not qualify as a Sophisticated Investor in accordance with the criteria established under the legislation of Georgia and/or the procedures of the Asset Management Company (Call Option). In such case, the redemption price shall be determined by reference to the Net Asset Value (NAV) as of the redemption date.

8.10. Notwithstanding any provision to the contrary, from the commencement of its investment activities, the Fund shall have the continuing right, at any time, to redeem up to one hundred percent (100%) of the issued Units on an annual basis pursuant to the Call Option, subject to compliance with the criteria established under the legislation of Georgia and/or the procedures of the Asset Management Company. In such case, the redemption price shall be determined by reference to the Net Asset Value (NAV) as of the redemption date.

8.11. The Fund may exercise the Call Option at its sole discretion and without restriction. Upon exercising the Call Option, the Investment Fund shall send the relevant Unitholder a notice of exercise of the redemption right, which shall include at least the following information:

8.11.1. the date of the Call Option notice;

8.11.2. the date on which the Net Asset Value (NAV) is determined; and

8.11.3. the date on which the redemption proceeds will be transferred/paid, which shall be no later than ten (10) days following the date on which the Net Asset Value (NAV) is determined.

8.12. The redemption of Units, including, without limitation, the exercise of the Put Option provided for herein, may be suspended in the cases and in accordance with the procedures and conditions set out in this document.

8.13. The redemption of Units, including, without limitation, the exercise of the Put Option under this Article 8, may be suspended in the following circumstances:

8.13.1. where such suspension is required by the National Bank of Georgia;

8.13.2. pursuant to a decision of the Asset Management Company.

8.14. The Asset Management Company may suspend the exercise of the Put Option in the following circumstances:

8.14.1. where, due to unforeseen circumstances, it is temporarily impossible to value a material portion of the Fund's assets (being fifteen per cent (15%) or more of the Fund's assets), or where, taking into account the prevailing circumstances, such valuation is likely to be inaccurate;

8.14.2. where suspension of the Put Option is necessary due to panic selling or other circumstances arising in the financial markets which, in the opinion of the Asset Management Company, are temporary and are expected to be resolved in the near future;

8.14.3. where the exercise of the Put Option would require the disposal of a portion of the Investment Fund's assets and, in the opinion of the Asset Management Company, such disposal, in light of prevailing market conditions, would materially prejudice the collective interests of the Unitholders;

8.14.4. where the exercise of the Put Option may cause irreparable harm to the collective interests of the Unitholders, or where the suspension is otherwise considered to be in the best interests of the Unitholders.

8.15. The redemption of Units, including, without limitation, the exercise of the Put Option under this Article 8, may be suspended for a period of up to three (3) months. Such period may, with the consent of the National Bank of Georgia, be extended for up to six (6) months.

8.16. Detailed information regarding the exercise of the Put Option by a Unitholder is set out in the Offering Terms.

9. Conflict of Interest

9.1. The Investor acknowledges, recognizes, agrees to, and accepts the following:

9.1.1. The Asset Management Company, the Investment Fund, JSC Galt and Taggart (I/N: 211359206) and/or JSC Bank of Georgia (I/N: 204378869), and other companies within the Bank of Georgia Group are and/or may be engaged in other financial, investment, and/or related professional activities, which in some cases may potentially cause a conflict of interest. To mitigate this risk, for any and all transactions carried out with any company within the Bank of Georgia Group, the arm's length principle shall be adhered to, meaning the transaction shall be executed at market value conditions.

9.1.2. There may be transactions that affect the interests of the Asset Management Company, JSC Bank of Georgia (I/N: 204378869), a company within the Bank of Georgia Group, JSC Galt and Taggart (I/N: 211359206), and/or the members of the supervisory board of the Asset Management Company, which potentially creates a conflict of interest with their obligations towards the Investment Fund. When mitigation of the conflict is impossible, the person with the conflict of interest shall act considering their fiduciary duties and in the best interests of the Investment Fund and Investment Fund Investors.

9.1.3. The Asset Management Company may also be a responsible body for managing other investment funds. Additionally, members of the supervisory board of the Asset Management Company may hold managerial positions in other companies within the Bank of Georgia Group. Each party, to the best of their ability and in compliance with the requirements of the legislation of Georgia, shall ensure that their involvement does not affect the fulfilment of their obligations towards the Investment Fund.

9.1.4. In addition to adhering to the arm's length principle, the Asset Management Company has a Management Policy of Conflict of Interest with Related Parties which provides mechanisms to avoid and manage potential conflict of interest situations to ensure the development of the best and sound professional practices.

9.1.5. The asset, in which the Investment Fund will invest, may belong to the JSC Bank of Georgia (I/N: 204378869).

9.2. The Investment Fund and the Asset Management Company declare that there may be cases where, considering the organizational and/or administrative structure, the mechanisms for managing conflict of interest are not sufficient to prevent an impact on the interests of the Investment Fund and the Investment Fund Investors. If the Asset Management Company deems that the mechanisms for managing conflict of interest are not sufficient, in such cases, if the mechanisms implemented by the Investment Fund and the Asset Management Company are not sufficient to eliminate/resolve the conflict, as a last resort, the Unitholders shall be notified of this circumstance in writing.

9.3. The Asset Management Company may manage other investment funds and/or engage in other activities permitted and provided for by the legislation of Georgia for the asset management company. As a result, a situation may arise where the Asset Management Company, its directors, officers, and employees have the interests that conflict with the interests of the Investment Fund or have other clients, whose interests conflict with the interests of the Investment Fund (hereinafter referred to as "**Material Interest**").

9.4. To avoid conflicts arising from the Material Interests, the Asset Management Company shall set-up "Chinese Walls", which involve restricting employees' access to information related to activities with which they have no direct involvement and requiring employees to disregard the Material Interests, as the emergence of such interests may potentially influence the Investment Fund.

9.5. In order to disclaim any duties, obligations, or restrictions that might otherwise be required by the legislation of Georgia, the Unitholder acknowledges and explicitly confirms that the Asset Management Company, its officers, directors, and employees may have Material Interests. Notwithstanding the above, the Asset Management Company affirms that no member of the team managing the Asset Management Company has or will have any Material Interest directly conflicting with the management of the Investment Fund. The Unitholder acknowledges that the ordinary activities of such team members may include managing other investment funds.

9.6. The Unitholder acknowledges and agrees that due to the obligations under the legislation of Georgia or to the obligations of confidentiality with respect to other persons and/or to uphold the "Chinese Walls", the Asset Management Company may be prohibited or it may be deemed inappropriate for it to use information about Material Interests for the benefit of the Investment Fund.

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9.7. The Unitholder agrees that the Asset Management Company is not obligated to disclose to the Unitholder or use for the Unitholder's benefit any non-public information obtained in the course of providing services to other persons or conducting other activities.

9.8. The Unitholder acknowledges, recognizes, agrees, and accepts that any investment or business relationship may give rise to potential conflict of interest with the persons affiliated with the Investment Fund and/or the Asset Management Company. The Unitholder is aware that the Asset Management Company shall act in good faith as it considers to be in the best interests of the Investment Fund. By acquiring a share in the Investment Fund, each Unitholder acknowledges that actual or potential conflicts of interest may exist and agrees to the possible existence of such conflicts of interest, while having no complaints regarding the existence of such a conflict.

10. Confidentiality

10.1. Unless the Asset Management Company decides otherwise, the Unitholders shall not use, publish, disseminate or disclose to any person, other than those officials or employees of the Asset Management Company whose responsibilities include such matters, any confidential information about the business, expenses, financial or contract deals or other agreements, transactions or business relations of the Asset Management Company which may become known to them. They shall apply all reasonable measures in order to prevent the publication or dissemination of any confidential information.

10.2. The above-mentioned requirement of confidentiality does not concern the information which:

10.2.1. is considered the public information under the respective law and is subject to disclosure;

10.2.2. became publicly known from other sources.

10.3. Any important information which is provided to the Unitholder and which, in the opinion of the Asset Management Company, may have influence on the investment decisions of the Unitholders shall be provided to other Unitholders in the same amount.

11. Liquidation of Investment Fund

11.1. The liquidation of the investment funds is carried out in accordance with the rules established by the Law of Georgia on Investment Funds.

11.2. The Asset Management Company shall submit a liquidation plan at least 6 (six) months prior to the planned liquidation of the Investment Fund, in compliance with the requirements set by the legislation of Georgia.

11.3. Implementation of the liquidation pursuant to this article and the procedures defined by the legislation of Georgia does not require the consent/approval of the Unitholders.

12. Liabilities

12.1. A Unitholder is not personally liable for the obligations undertaken by the Investment Fund. The liability of the Unitholder for the fulfilment of such obligations is limited solely to their contributions made to the assets of the Investment Fund.

12.2. The Asset Management Company is not personally liable for the obligations of the Investment Fund that arise in accordance with the legislation of Georgia and this document.

12.3. The Investment Fund is not liable for the obligations of the Asset Management Company or the Unitholders. The Investment Fund is only liable for its own obligations to its Unitholders and creditors.

12.4. For the avoidance of any doubt, upon acquiring a Unit, the Investor in the Investment Fund agrees and acknowledges that the Asset Management Company does not assume any obligation, duty, or liability in contract, tort, or otherwise, including in connection with the management of the Investment Fund, beyond that of a duty to exercise due care and skill, and notwithstanding other provisions, in any circumstances, the Asset Management Company shall not be liable in contract, tort, or otherwise for any direct and/or indirect damages and/or losses of profits (including unrealized, direct, or indirect) income, anticipated savings of the investment fund, and/or any and all direct, indirect, or consequential damages and/or losses, except where and to the extent that a court in final judgement determines

that such losses are directly caused by the gross negligence, fraud, or intentional misconduct of the Asset Management Company.

12.5. If a third party's failure to fulfil its obligations may cause harm to the Investment Fund or the Unitholders, the Asset Management Company shall file a claim/initiate legal proceedings against such a third party on behalf of the Investment Fund. If the Asset Management Company fails to fulfil the requirement under this clause and does not file a claim/initiate legal proceedings against any third party, the Unitholder is entitled to file a claim/ initiate legal proceedings in their name and for the benefit of the Investment Fund/sub-fund in order to fulfil such a request. The Unitholder is deemed an appropriate claimant if the Asset Management Company does not file a claim/initiate legal proceedings against the violating third party within 90 (ninety) days of receiving a relevant written request. If the Asset Management company provides a written response to the request of the Unitholder within the mentioned timeframe, the Unitholder is considered an appropriate claimant if the Asset Management Company fails to demonstrate that the litigation would involve disproportionately high costs or could otherwise cause harm to the interests of the Investment Fund. If the court satisfies the claim of the Unitholder (and the decision becomes legally binding), the Asset Management Company shall reimburse the Unitholder for reasonable out-of-court expenses related to the claim, including attorney fees, up to a maximum of 7% (seven percent) of the amount awarded to the Unitholder (claim amount satisfied), or GEL 5,000 (five thousand) in cases of non-monetary disputes. The Asset Management Company is released from the obligation to reimburse these expenses if it proves that the satisfaction of the claim was detrimental to the Investment Fund. If the Unitholder is deemed an inappropriate claimant or their claim is denied, the Unitholder is obligated to reimburse the reasonable procedural expenses incurred by the Investment Fund or the Asset Management Company.

13. Investment Policy and Strategy of Investment Fund

13.1. The objective of the activities of the Investment Fund is to generate Returns for the benefit of the Unitholders, in accordance with a predefined investment risk appetite and through diversified investments while adhering to transparent and prudent investment principles.

13.2. The investment strategy of the investment fund is the implementation of investment objectives, primarily through investing in units of investment funds; sovereign bonds of Georgia; sovereign and quasi-sovereign bonds of emerging markets; publicly traded foreign corporate bonds; money market instruments; exchange-traded funds (ETFs) composed of bond portfolios; local corporate bonds; and corporate secured loans originated by local commercial bank(s) (the assessment of the adequacy of the relevant collateral shall be obtained from the bank whose loan claims the Fund invests in), including loans secured solely by guarantees, through syndicated investments in loans with various maturities.

13.3. In order to achieve the objectives of the Investment Fund and to implement its strategy, the Fund aims to allocate the raised funds as follows:

a. Up to (including) 30% of the attracted funds in the units of the other investment funds;
b. Up to (including) 100% of the attracted funds in sovereign and quasi-sovereign bonds of emerging markets, including, without limitation, Georgia, as well as in local public and private corporate bonds and publicly traded foreign corporate bonds;
c. Up to (including) 100% of the attracted funds in sovereign obligations of Georgia, bank deposits, certificates of deposit and other money market instruments.
d. Up to (including) 20% in Exchange-Traded Funds (ETF) composed of bonds.
e. Up to (including) 20% in corporate loans originated by commercial banks.
f. For the avoidance of doubt, the limits set for instruments referred to in sections "a", "b", "c" and "d" represent target allocations for the asset management company, which may not necessarily be met at a given point in time.

13.4. The Fund's risk appetite

The risk appetite acceptable for achieving the Fund's investment objectives, together with the variables used to measure and monitor such risk appetite, is determined by the Fund's Memorandum and these Articles, thereby enabling the Fund's risk profile to be determined in advance.

The Fund's risk appetite is defined by the following parameters and limits:

- The minimum Debt Service Coverage Ratio (DSCR) for any individual corporate bank loan, prior to syndication, shall be 1.0.
- The maximum probability of default for any individual corporate bank loan, prior to syndication, shall be 5%.
- Following syndication, the minimum portfolio allocation to Level 1[1] syndicated loans shall be 10%.
- Following syndication, the maximum portfolio allocation to Level 2 syndicated loans shall not exceed 70%.
- Following syndication, the maximum portfolio allocation to Level 3 syndicated loans shall not exceed 30%.
- The Fund's participation in the syndication of any individual corporate bank loan shall not exceed 45% of the total principal amount of such loan.
- The Investment Fund's concentration in any single economic sector shall not exceed 40% of the investment portfolio.
- The maximum exposure to any single borrower group shall not exceed 35% of the investment portfolio.
- The Fund's maximum weighted duration[2] shall be 5.0. Compliance with this risk appetite shall be assessed prior to each investment decision and/or upon the preparation of each quarterly report. Where this limit is exceeded, the Asset Management Company shall rebalance the portfolio at least once every six (6) months. The Asset Management Company shall report this metric to investors through the Fund's quarterly reports irrespective of whether the limit has been exceeded. A weighted duration exceeding 5.0 shall be permitted solely for the purpose of satisfying investors' redemption requests. In such event, compliance with the target risk appetite shall be restored upon the Fund making a new investment.
- The remaining maturity of any individual financial instrument shall not exceed ten (10) years. Compliance with this limit shall be assessed prior to each investment decision.
- At the end of each calendar quarter, at least 30% of the portfolio shall consist of liquid assets, including capital market instruments, treasury securities, bank deposits, certificates of deposit and money market instruments. A concentration below 30% shall be permitted solely for the purpose of satisfying investors' redemption requests. In such event, compliance with the target risk appetite shall be restored upon the Fund making a new investment. Compliance with this limit shall be assessed prior to each investment decision and/or upon the preparation of each quarterly report.
- At the time of acquiring any financial instrument permitted under the Fund's Memorandum, at least 20% of the Fund's assets shall be invested in instruments having a remaining maturity of less than two (2) years. A reduction below 20% shall be permitted solely for the purpose of satisfying investors' redemption requests. Compliance with the target allocation shall be restored upon the Fund making a new investment. Compliance with this limit shall be assessed prior to each investment decision and/or upon the preparation of each quarterly report.
- Investments in emerging market sovereign and quasi-sovereign bonds, as well as publicly traded foreign corporate bonds, shall be permitted only where, at the time of acquisition, the relevant bond has a credit rating ranging from BB- to AAA (inclusive). Such rating must have been assigned by one of the following internationally recognised credit rating agencies: Standard & Poor's, Moody's, Fitch Ratings, or Scope Ratings[3]. This requirement shall not apply to locally issued corporate bonds or bonds issued by the State of Georgia. Compliance with this limit shall be assessed prior to each investment decision and/or upon the preparation of each quarterly report.
- The Units shall be denominated in Georgian Lari (GEL), and all payments relating to the Units shall be made in Georgian Lari (GEL). Notwithstanding the foregoing, up to 20% (inclusive) of the Fund's assets in which the Asset Management Company invests may be denominated in one or more foreign currencies.

Further details of the Investment Policy and Strategy are set out in the Memorandum.

[1] Risk categorization is performed through the internal credit rating system, whereby a Level-1 exposure represents a low-risk loan corresponding to a probability of default of up to 0.8%. Each subsequent category represents progressively higher-risk exposures. For example, Level-2 exposures comprise loans with a probability of default ranging from 0.8% to 4.0% (inclusive), while Level-3 exposures comprise loans with a probability of default exceeding 4.0%. These thresholds may be reviewed and adjusted from time to time based on updated data and portfolio performance; however, they are generally expected to remain broadly aligned with the foregoing ranges.

[2] The Fund's weighted duration is calculated by weighting the duration of each instrument included in the portfolio by its proportional concentration within the portfolio. The duration of each asset is measured using the Macaulay Duration methodology in accordance with prevailing market best practices. For a detailed discussion of the methodology, see Fabozzi, Frank J. (2007), *Fixed Income Analysis*, 2nd Edition, CFA Institute Investment Series, John Wiley & Sons.

[3] In the event that an instrument has ratings assigned by multiple rating agencies, the Asset Management Company will use the higher rating.

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13.5. For the protection of the interests of the investors, the Asset Management Company may only tighten the Fund's risk appetite by imposing more stringent risk limits. Any relaxation of the established risk appetite limits may be made only with the consent of the investors and in accordance with the procedure set out in this document. The risk appetite parameters set out herein may not, at all times, be maintained by the Asset Management Company.

Furthermore, if, at any time, the portfolio allocation across the respective Level classifications of credit exposures changes as a result of a change in the Level assigned to the relevant credit exposures, the Asset Management Company shall take appropriate measures to restore compliance with the applicable Level allocations prescribed under both the Fund's risk appetite and risk limits, as provided in this document. However, for the avoidance of doubt, the Asset Management Company does not guarantee that such Level allocations will be maintained throughout the life of the Fund or, where they have been breached, that they will be restored.

14. Conclusive Provisions

14.1. This founding document enters into force from the day of its registration with the LEPL National Agency of Public Registry.

14.2. If any provision of the founding document becomes invalid this shall not affect the validity of other provisions. In place of the invalid provision, the rule which is effective and which will facilitate the attainment of the investment fund objective will be used.

14.3. Any dispute which may arise between the Unitholders and the bodies of the Investment Fund in connection with their rights and obligations provided by the charter document or with interpretation of provisions of the charter document, the relevant party is authorized to refer the matter to the courts of Georgia.

14.4. The Investment Fund and this charter are not subject to the application of provisions of subparagraphs "a" – "c", "f", and "g" of Paragraph 6 of Article 5; Subparagraph "b" of Paragraph 5 of Article 13; Article 28; Articles 153 and 154; Paragraphs 2–4 of Article 156; and Articles 163–171 and 225 of the Law of Georgia on Entrepreneurs, as well as the following rules established by the Law of Georgia on Entrepreneurs and/or subordinate normative acts issued thereunder:

14.4.1. Rules governing the issuance of shares and related payments;

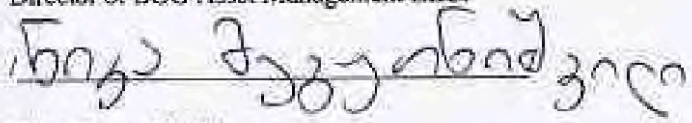
14.4.2. Rules for increasing or decreasing capital and the disclosure of respective information;

14.4.3. Rules for mandatory share sale;

14.4.4. Rules regulating pre-emptive rights of the shareholders;

14.4.5. Rules for implementing tender offers.

Director of BOG Asset Management LLC:



Nika Megutnishvili