

NGE

Nova Green Energy

STATUTES

of investment fund with variable capital

NOVA GREEN ENERGY, SICAV, A.S.

and its subfund

NOVA Green Energy – subfund 1

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NOVA Green Energy, SICAV, a.s., Company Identification No.: 087 89 622, with its registered office at V Celnici 1031/4, Nové Město, 110 00 Prague 1, issues, in accordance with Act No. 240/2013 Coll., on management companies and investment funds (hereinafter the “**Act**”), these

Statutes of an investment fund and its subfund (hereinafter the “Statutes”):

Definitions

For the purposes of these Statutes, the below terms have the following meanings:

- a) “**AIFMD**” means Directive 2011/61/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010;
- b) “**Auditor**” means the audit company, as defined in Article 2.1, below, that provides the Fund with audit services;
- c) “**CNB**” means the Czech National Bank, as defined in Article 17.4, below;
- d) “**Depository**” means UniCredit Bank Czech Republic and Slovakia, a.s., as defined in Article 13.1, below, which performs the activities of depository for the Fund;
- e) “**Fund**” means **NOVA Green Energy, SICAV, a.s., including its subfund 1**, an alternative investment fund, as defined in Article 1.1, below;
- f) “**Management Company**” means REDSIDE investiční společnost, a.s., as defined in Article 3, below;
- g) “**CZK**” means Czech koruna, the legal currency of the Czech Republic;
- h) “**Regulation**” means Government Regulation No. 243/2013 Coll., on investing by investment funds and techniques for their management;
- i) “**Subfund**” means the subfund NOVA Green Energy – subfund 1, part of the Fund’s assets that are separate in accounting and asset terms;
- j) “**Business Day**” means a day when banks are open for ordinary activities in the Czech Republic;
- k) “**Interest**” means a share in the Fund and the resulting rights and obligation in a business corporation within the meaning of Section 31 of the Act on Business Corporations and in similar legal entities in accordance with foreign law, with the exception of an interest in a public business company and an interest as a general partner in a limited partnership (in Czech “komplementář v komanditní společnosti”);
- l) “**Act**” means Act No. 240/2013 Coll., on management companies and investment funds, as amended;
- m) “**Investor’s Entry**” means all the following, independently:
 - a) Initial onboarding and initiation of a contractual relationship between a specific investor and the Company based on the entrance into a Framework agreement on subscription and redemption of investment shares between the specific investor and the Company, where a transaction must be settled as a part of the primary issue of investment shares;
 - b) Settlement of a request to increase investment shares (i.e. additional purchase of investment shares) related to such instruction;
 - c) Settlement of a secondary transfer, i.e. settlement of a transfer of an ownership right to investment shares of the Subfund on the secondary market, in particular based on an

agreement on transfer of investment shares of the Subfund or based on a donation agreement;

- d) The transfer of custody of investment shares of the Subfund from the custody of a securities trader held on nominee accounts under the Company's custody, with the exception of the case of the assignment of an ownership right to investment shares of the Subfund, in particular due to the acquisition of inheritance or universal succession in the event of a merger or other transformations of legal entities.

PART ONE

FUND

1 Basic Information about the Qualified Investors Fund

1.1 Information about the Fund:

- a) Name: **NOVA Green Energy, SICAV, a.s.**
- b) Abbreviated name: NGE
- c) The Fund is an alternative investment fund (qualified investors fund) in accordance with the AIFMD and the Act. The Fund is a joint stock company with variable capital, which creates subfunds. The Subfunds currently created are:

- **NOVA Green Energy – subfund 1**

1.2 A licence for the establishment of the investment Fund was granted by a decision of the CNB dated 29 January 2013, reference number 2013/1333/570 regarding File Sp/2012/816/571, which came into legal force on 29 January 2013.

1.3 The Fund is registered in the list of registered investment funds maintained by the CNB in accordance with Section 597(b) of the Act.

1.4 The Fund is established for an indefinite period.

1.5 The Fund is a qualified investors fund within the meaning of Section 95(1)(b) of the Act, which collects funds from qualified investors by issuing investment shares and performs common investing of the gathered financial means or things whose value can be expressed in monetary terms on the basis of a chosen investment strategy in favour of these qualified investors and to further manage these assets.

1.6 Fund's website:

www.redsidefunds.com

The Fund, as a qualified investors fund, publishes information at its website in accordance with the general information duty. The Fund, however, as a qualified investors fund, does not publish information at its website to the extent stipulated for the information duty of collective investment funds.

1.7 The Fund's legal relations and legal relations under contracts on investments in the Subfund are governed by Czech law. Czech courts have jurisdiction for resolution of disputes arising under contracts on investments in the Subfund.

1.8 The Fund does not use the services of a prime broker.¹

Within the meaning of Section 9 of the Act, the Fund is an investment fund with a legal personality that has an individual statutory body, which is a legal entity authorised to manage the Fund. The Fund entrusted the management of its assets to the business company REDSIDE investiční společnost, a.s., which is the Fund's statutory body. REDSIDE investiční společnost, a.s., is an alternative investment funds manager authorised to manage and administer qualified investors funds based on a permission for the activities of an management company issued by the CNB and is authorized to exceed the decisive limit in accordance with Article 3 of the AIFMD.

This company is the manager and administrator of the Fund and the Fund's Subfund.

1.9 Historical information about corporate matters of the Fund and Subfund:

As of 1 November 2014, there was a change to the manager and administrator of the Fund and Subfund from AVANT investiční společnost, a.s. to REDSIDE investiční společnost, a.s. Together with the change of the manager, there was a change to the depositary from Československá obchodní banka, a.s. to Unicredit Bank Czech Republic and Slovakia, a.s.

With effect from 1 January 2020 the Fund's legal form changed from an open-end mutual fund to an investment fund with variable registered capital with one subfund.

Under the decision of the General Director of the Prague Stock Exchange of 12 October 2015 under File No. B/154/2015/LM the koruna class of unit certificates of the Subfund ISIN: CZ0008474673 was accepted for trading on the Regulated Market of the Prague Stock Exchange effective from 19 October 2015. Under the decision of the General Director of the Prague Stock Exchange of 23 February 2016 under file ref. B/034/2016/LM the Euro class of unit certificates of the Subfund ISIN: CZ0008474053 was accepted for trading on the Regulated Market of the Prague Stock Exchange effective from 29 February 2016.

Due to the transformation of the Fund's legal form described above, both classes of unit certificates were delisted from the regulated market of the Prague Stock Exchange effective from 31 December 2019.

1.10 Information about consolidated unit

The Fund is not part of a consolidated unit.

2 Information about the Auditor

2.1 Information about the Auditor:

The Fund is audited by the audit firm **PricewaterhouseCoopers Audit, s.r.o.**, Company Identification No.: 407 65 521, with its registered office at Hvězdova 1734/2c, Nusle, 140 00 Prague 4. The stated audit firm is entered in the list of audit firms maintained by the Chamber of Auditors of the Czech Republic under no. 021.

¹ The prime broker of an investment Subfund is a person, who is on the basis of a contract with a manager of this Subfund or on the basis of an agreement with a manager and the depositary of the Subfund, authorised to perform the following financial services:

- a) to provide or to give over financial means or investment instruments for the purpose of supporting the financing of this Subfund; or
- b) to settle trades executed within the framework of the defined investment strategy of the Subfund.

3 Information about Management Company Managing and Administering Assets of Fund and Subfund

3.1 Basic information

REDSIDE investiční společnost, a.s., Company Identification No.: 242 44 601, with its registered office at V Celnici 1031/4, Nové Město, 110 00 Prague 1, entered in the Commercial Register maintained by the Municipal Court in Prague, section B, file No: 18362 (hereinafter the “**Management Company**” or “**Manager**”). The Management Company is an alternative investment fund manager and administrator (hereinafter “**AIFM**”) authorised to manage and administer qualified investors funds (alternative investment funds or “**AIF**”) based on a decision to permit the activities of a management company issued by the CNB and is entitled to exceed the decisive limit in accordance with Article 3 of the AIFMD.

3.2 Registered capital

CZK 8,400,000 (eight million four hundred thousand Czech koruna), 100% of registered capital paid up.

3.3 Incorporation date

29 June 2012

3.4 Decision to permit activities of the Management Company

Decision of the CNB ref. no. 2013/5063/570 of 29 April 2013, which came into legal force on 29 April 2013.

3.5 List of managing persons or persons pursuant to Section 21(5) of the Act with specification of their positions

The only member of the administrative board, i.e. the statutory body, is **REDSIDE investiční společnost, a.s.**, Company Identification No.: 242 44 601, with its registered office at V Celnici 1031/4, Nové Město, 110 00 Prague 1. Rudolf Vřešťál is the authorised representative entitled to act independently for the statutory body.

Rudolf Vřešťál, chairman of the board of directors and financial director

Ing. Karel Krhovský, member of the board of directors and executive director

Ing. Michal Zachar, member of the board of director and sales director

3.6 Positions of managing persons in other companies:

Rudolf Vřešťál	Company	Position	Company Identification No.
	REDSIDE investiční společnost, a.s.	chairman of the board of directors	24244601
	ASB Czech Republic, s.r.o.	managing director	27215849
	BAZ Czech, a.s.	chairman of the board of directors	28204298
	RVR Czech, s.r.o.	managing director	24300136
	UnitedData a.s.	deputy chairman of the board of directors	04201094

TC VENTURES, s.r.o.	managing director	25777581
White Express s.r.o.	managing director	04378059
Paříkova Property, s.r.o.	managing director	05481953
CXD Czech, s.r.o.	managing director	06024271
ZXJ Czech, s.r.o.	managing director	05866111
NRE Hradec s.r.o.	managing director	03818900
NRE Znojmo s.r.o.	managing director	03815579
NRE Jablonec s.r.o.	managing director	03862984
RUQ Czech, s.r.o.	managing director	04378024
NRE South Point 16 s.r.o.	managing director	04486048
NRE Vyšehrad Victoria s.r.o.	managing director	04485980
NRE North Point 17 s.r.o.	managing director	04485874
NRE OCCB s.r.o.	managing director	04607112
NRE Kutil s.r.o.	managing director	04607155
NRE Smíchov Gate s.r.o.	managing director	05469228
NRE Panorama s.r.o.	managing director	05469091
NRE Penny 1 s.r.o.	managing director	05628024
NRE OFM s.r.o.	managing director	07549849
REDSIDE Investments a.s.	chairman of the board of directors	07187939
RSFA, a.s.	chairman of the board of directors	08579440
ARCA OPPORTUNITY, SICAV, a.s.	authorised representative of the sole member of the administrative board	24199591
NOVA Real Estate, investiční fond s proměnným základním kapitálem, a.s.	authorised representative of the sole member of the administrative board	04331869
NOVA Money Market, investiční fond s proměnným základním kapitálem, a.s.	authorised representative of the sole member of the administrative board	04699017
NOVA Green Energy, SICAV, a.s.	authorised representative of the sole member of the administrative board	08789622

member of the supervisory board

SWISS FUNDS, a.s.

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Ing. Karel Krhovský	Company	Position	Company Identification No.
	REDSIDE investiční společnost, a.s.	member of the board of directors	24244601
	REDSIDE Investments a.s.	member of the board of directors	07187939
	KJU Czech, s.r.o.	managing director	08123853
	RSFA, a.s.	member of the board of directors	08579440

Ing. Michal Zachar	Company	Position	Business ID number
	REDSIDE investiční společnost, a.s.	member of the board of directors	24244601

3.7 The Management Company is entered in the list of management companies maintained by the CNB pursuant to Section 596(a) of the Act.

3.8 The Management Company is entitled to exceed the decisive limit.

3.9 Management Company's activities in relation to the Fund and Subfund:

a) Management of the Subfund's assets:

- a. management of the Subfund's assets, including investing on the Subfund's account;
- b. management of risks related to investment.

b) Administration of the Fund and Subfund, in particular:

- a. maintenance of accounts of the Fund and Subfund;
- b. provision of legal services;
- c. compliance and internal audit;
- d. dealing with grievances and complaints by investors of the Subfund;
- e. valuation of assets and debts of the Fund and Subfund;
- f. calculation of the current value of an investment share of the Subfund;
- g. ensuring the performance of duties related to taxes, charges or other similar monetary performance;

- h. maintaining a list of owners of investment shares issued by the Fund and maintaining records of book-entry investment shares issued by the Fund and custody of securities and maintaining records of book-entry securities issued by the Fund;
 - i. distribution and payment of yields on the assets of the Fund and Subfund;
 - j. ensuring the issue, exchange and redemption of investment shares issued by the Fund;
 - k. preparation and updating of an annual report of the Fund and Subfund;
 - l. preparation and updating of the key information document for the Fund and Subfund;
 - m. preparation of promotional statements for the Fund and Subfund;
 - n. publication, disclosure and provision of information and documents to shareholders of the Subfund and other persons;
 - o. notification of data and provision of documents, in particular to the CNB or the supervisory body of another member state;
 - p. performance of other activities related to management of values owned by the Fund and Subfund;
 - q. distribution and payment of monetary performance in connection with winding up of the Fund and Subfund;
 - r. maintaining records of the issue and redemption of investment shares issued by the Fund;
 - s. offering investments in the Fund and Subfund;
 - t. other activities directly related to the activities stated in subpara. a) to s) of this Article 3.9(b);
 - u. performance and assessment of suitability test within the meaning of Section 15h of the Act on Capital Market Business for an investor that is interested in investing in the Subfund an amount totalling at least CZK 1,000,000, but not exceeding EUR 125,000.
- 3.10 The Management Company can authorise another to perform activities that include administration of the Fund and Subfund and that are stated in Article 3.9(b) under subpara. a) to u), pursuant to Section 50 of the Act, in compliance with the conditions of Sections 51 and 52 of the Act and Article 20 of the AIFMD.
- 3.11 List of other funds managed by the Management Company:
- a) **ARCA OPPORTUNITY, SICAV, a.s.**, Company Identification No: 241 99 591, with its registered office at V Celnici 1031/4, Nové Město, 110 00 Prague 1, , entered in the Commercial Register maintained by the Municipal Court in Prague, section B, file No. 17785;
 - b) **NOVA Real Estate, investiční fond s proměnným základním kapitálem, a.s.**, Company Identification No.: 043 31 869, with its registered office at V Celnici 1031/4, Nové Město, 110 00 Prague 1, entered in the Commercial Register maintained by the Municipal Court in Prague, section B, file No.: 20886;
 - c) **NOVA Money Market, investiční fond s proměnným základním kapitálem, a.s.**, Company Identification No.: 046 99 017, with its registered office at V Celnici 1031/4, Nové Město, 110 00 Prague 1, entered in the Commercial Register maintained by the Municipal Court in Prague, section B, file No.: 21276.
- 3.12 Other business activities of the Manager

The Manager does not perform any other business activities within the meaning of Section 508 of the Act.

3.13 Exclusion of Section 1401, Section 1415(1) and Sections 1432 to 1437 of the Civil Code

The application of Section 1401, Section 1415(1) and Sections 1432 to 1437 of Act No. 89/2012 Coll., the Civil Code, to the management of the Fund are excluded.

3.14 Concluded contracts within the Meaning of Section 50 et seq. of the Act

Contract on authorisation of another to perform individual activities, which include administration:

- Contract on ensuring performance of internal audit activities;
- The contract is concluded between the Administrator and Compllex, s.r.o., Company Identification No.: 271 81 537, with its registered office at Mánesova 881/27, 12000 Prague 2, entered in the Commercial Register maintained by the Municipal Court in Prague, section C, file No.: 102501, which is authorised to perform internal audit activities;
- Contract on provision of accounting services, maintenance of tax records and services related to settlement of transactions;
- The contract is concluded between the Administrator and ASB Czech Republic, s.r.o., Company Identification No.: 272 15 849, with its registered office at V Celnici 1031/4, 11000 Prague 1, entered in the Commercial Register maintained by the Municipal Court in Prague, section C, file No.: 105100.
- The activities performed by ASB Czech Republic, s.r.o., include:
 - Maintenance of accounts for the Administrator, separately for the investment funds and common funds;
 - Preparation of ordinary financial statements and regular managerial reports;
 - Back-office services;
 - Calculation of VAT payment.
- Valuations of the Fund's assets are performed by the companies:
 - MBM-Hopet, s.r.o., Company Identification No.: 266 85 434, with its registered office at Freyova 82/27, Vysočany, 190 00 Prague 9, registered with the Municipal Court in Prague, section C, file No: 87224;
 - Colliers International Valuation Services, s.r.o., Company Identification No.: 272 44 172, with its registered office at Na příkopě 859/22, Nové Město, 110 00 Prague 1, registered with the Municipal Court in Prague, section C, file No. 107190;
 - APOGEO Esteem, a.s., Company Identification No.: 261 03 451, with its registered office at Rohanské nábřeží 671/15, Karlín, 186 00 Prague 8, registered with the Municipal Court in Prague, section B, file No.: 15572.
- Contract authorising another to perform individual activities, which include administration of the investment fund—provision of information and communication technology services:
- The contract is concluded between the Administrator and ACMT s.r.o., Company Identification No.: 284 82 981, with its registered office at V Celnici 1031/4, Nové Městě, 110 00 Prague 1, entered in the Commercial Register maintained by the Municipal Court in Prague, section C, file No.: 144861.

- Framework contracts on instructions for the purchase or sale of CIF securities and contracts authorising another person to perform individual activities, which include administration of the investment fund:
 - individual contracts concluded with investment intermediaries or securities traders that offer investment in the Fund.

3.15 Information about Depositary

Information about the depositary

- 3.16 **UniCredit Bank Czech Republic and Slovakia, a.s.**, Company Identification No.: 649 48 242, with its registered office at Želetavská 1525/1, Michle, 140 92, Prague 4, entered in the Commercial Register maintained by the Municipal Court in Prague, section B, File No. 3608.

The depositary is entered in the list of depositaries of investments funds maintained by the Czech National Bank.

3.17 Description of basic characteristics of depositary's activities, including definition of its Responsibility

The Depositary is entitled, in particular:

- a) to have the Fund's assets in its care, if their nature so permits;
- b) to open and maintain monetary accounts and record movements of all financial means that are part of the Fund's assets;
- c) to record, if permitted by their nature, or check the balance of Fund assets other than the assets stated in subpara. a) and b).

3.18 Information about persons to which Depositary entrusted performance of some activities

None of the Depositary's activities is entrusted to another, even partially.

3.19 Administrator's cooperation

Communication with the Fund's Depositary takes place through the administrator, who ensures the performance of the relevant Fund duties to the Depositary in accordance with the depositary agreement.

3.20 Basic principles of Depositary's activities

The aim of the Depositary's activities is not to duplicate the activities performed by the Manager. The activities of persons performing certain activities for the Fund (Manager, administrator) and the Depositary are based on the principle of dividing roles and responsibilities. The aim of the Depositary's control activities is, in selected areas, in particular to verify that the Fund has correctly set and properly implements the relevant processes and deals with any shortcomings ascertained as a part of the escalation processes introduced.

During the performance of its activities, the Depositary, in particular, checks the existence of the procedures of the Manager for the performance of the relevant activities that are, in accordance with the relevant legal provisions, the subject of a check by the Depositary and their compliance with the law, the AIFMD Regulation and the statutes and subsequently randomly monitors whether the Manager's specific activities are in accordance with such procedures.

The Depositary performs these activities:

- i. Upon the start of the relationship with the Manager, where it focuses on a basic check on the existence of procedures and rules for the performance of the Manager's activities;
- ii. Periodically, where it focuses on updating the procedures with the statutory given frequency, following a change to the regulatory rules, an amendment to the statutes and also random monitoring of the Manager's activities.

The provisions of the depositary agreement should correspond to the stated principles and overall regulatory framework, the Depositary's aim should not be to contractually expand its remit and responsibilities beyond such boundaries.

Unless the Manager and Depositary expressly agree otherwise, the Manager's steps are not conditional on the Depositary's active consent. The Depositary focuses on performing ex-post checks.

3.21 Purpose of Depositary's control activities

The purpose of the Depositary's control activities is to protect the interests of investors in the Fund and Subfund by ensuring that the Depositary checks the Manager's activities and draws the Manager's attention to non-compliance of its activities with legal regulations, the statutes or the depositary agreement. If non-compliance is ascertained, the Depositary follows the escalation processes set out in the depositary agreement. The primary purpose of the escalation process is to correct a defective state in such a manner that there is no threat to the investors' rights and interests and, if damage cannot be prevented, it is minimised. The Depositary reports the ascertaining of a shortcoming to the CNB after the vain exhaustion of escalation procedures with the Manager. The Depositary only reports serious findings when, for example, the Manager refuses to agree on correction or systemic findings (repeating shortcomings). The procedure is set out in the depositary agreement.

3.22 Individual Depositary's control activities

The subject of specific control activities by the Depositary that are to be performed in the context of the basic principles stated are checks on compliance of the activities stated below with the law, the AIFMD Regulation, the Fund's statutes and the provisions of the depositary agreement:

- a) issue and redemption of investment shares;
- b) calculation of the current value of investment shares;
- c) valuation of assets and debts of the Subfund;
- d) payment of consideration from transactions in the Subfund's assets by the usual deadlines;
- e) use of revenues resulting for the Subfund;
- f) checks on instructions of the Manager implemented by the Depositary;
- g) checks on the balance of the Subfund's assets that cannot be held in custody and/or escrow.

Section 73(1)(f) and Section 73(2) of the Act (*ex ante*) and references to the UCITS Depositary Regulation do not apply to a depositary for a qualified investors fund.

3.23 INFORMATION ABOUT SHARES IN FUND

The Fund issues founders shares in relation to the Fund and investment shares in relation to the Subfund or other subfunds of the Fund. The Fund issues founders and investment shares as no-par value shares, i.e. shares that do not have a nominal value.

3.24 Founders Shares

Founders shares in the Fund are shares that were subscribed by the Fund's founders; founders shares also include those that were subscribed by a person other than an owner of founders shares, as none of the owners exercised their preferential right pursuant to Section 160 of the Act and founders shares that were acquired by a person other than the owner of founders shares, as none of the owners exercised their preferential right to subscribe new founders shares pursuant to Section 161 of the Act. The founders shares are linked to a right concerning a share in profit from the Fund's management and in the liquidation balance only in relation to the assets and financial management of assets that are not included in any Subfund. The other shares in the Fund are investment shares. No special right can be linked to founders shares.

3.25 Investment Shares

Investment shares are issued as no-par value shares. The Fund will not issue investment shares other than for a Subfund. Investment shares are issued as book-entry securities. Two types of investment shares are issued for a Subfund: growth investment shares A and dividend investment shares A. A right concerning a share in profit from the management of the Subfund is linked to the investment shares issued for the Subfund in the case of dividend investment shares A and in the liquidation balance upon the dissolution of the Subfund with liquidation in the case of both types of investment shares. Investment shares are linked to a right to their redemption at their owner's request on the company's account. Investment shares cease to exist upon redemption.

An investment share is linked to a voting right only in cases set out by the Fund's articles of association or in cases where the law so provides, i.e. in particular if the law, within the meaning of Section 162(2) of the Act, requires a vote at the general meeting by classes of shares. In such case, the owner of a non-voting investment share is entitled to vote at the general meeting. If an investment share is linked to a voting right, it is linked to 1 vote.

The transferability of investment shares is conditional on the consent of the statutory body, which will grant its consent to a transfer in writing, following a written request. The statutory body is obligated to grant its consent to the transfer of investment shares, if the transferee of the investment shares meets all the requirements for a shareholder in the company, as a qualified investors fund, stipulated by the statutes, as well as by generally binding legal regulations, without undue delay after a check. Consent to the transfer of investment shares between current shareholders is issued promptly without the need for a check. Investment shares can be pledged only with the statutory body's prior written consent, at the shareholder's written request. Provisions on a restriction on transferability and pledging of shares apply only until the acceptance of the investment shares for trading on a European regulated market; with effects from the day of acceptance of the shares for trading on a European regulated market the shares are transferable without restriction and their pledging does not require the statutory body's consent.

3.26 The Fund issues the following types of investment shares for the Subfund:

- a) "Dividend investment share A", which will be issued for subfund NOVA Green Energy – subfund 1, is a share with special rights, where all the dividend investment shares A comprise one class. The following rights are linked to dividend investment shares A:

- i. the right to a share in profit from the management of subfund NOVA Green Energy – subfund 1, in an amount determined as the ratio of all dividend investment shares A issued as of the decisive day for attendance at the general meeting that decides on the distribution of profit to the total number of all investment shares A (i.e. both dividend investment shares A and growth investment shares A) issued as of the decisive day for attendance at the general meeting that decides on the distribution of profit. The share in profit that the general meeting approves for distribution and that is for dividend investment shares A in accordance with these articles of association is divided among dividend investment shares A in a ratio in accordance with the number of dividend investment shares A issued;
- ii. the right to a share in the liquidation balance upon the dissolution of subfund NOVA Green Energy – subfund 1 with liquidation, in an amount that is determined as a proportion of the total liquidation balance—as the share of the value of all dividend investment shares A as of the day as of which the decision was taken to liquidate subfund NOVA Green Energy – subfund 1 in the total value of all investment shares A (i.e. both dividend investment shares A and growth investment shares A) issued as of the day as of which the decision was taken to liquidate subfund NOVA Green Energy – subfund 1, where (a) the value of all dividend investment shares A issued as of the day as of which the decision was taken to liquidate subfund NOVA Green Energy – subfund 1 is determined as the product of the current value of a dividend investment share A determined based on Article 33 of these articles of association as of the day as of which the decision was taken to liquidate subfund NOVA Green Energy – subfund 1 and the number of all dividend investment shares A issued as of the day as of which the decision was taken to liquidate subfund NOVA Green Energy – subfund 1 and (b) the total value of all investment shares A (i.e. both dividend investment shares A and growth investment shares A) issued as of the day as of which the decision was taken to liquidate subfund NOVA Green Energy – subfund 1 is determined as the sum of the product of the current value of a dividend investment share A determined based on Article 33 of the articles of association as of the day the decision was taken to liquidate subfund NOVA Green Energy – subfund 1 and the number of all dividend investment shares A issued as of the day as of which the decision was taken to liquidate subfund NOVA Green Energy – subfund 1 and the product of the current value of a growth investment share A determined based on Article 33 of these articles of association as of the day as of which the decision was taken to liquidate NOVA Green Energy – Subfund 1 and the number of all growth investment shares A issued as of the day as of which the decision was taken to liquidate subfund NOVA Green Energy – subfund 1. The amount determined is divided among dividend investment shares A (share in the liquidation balance for dividend investment shares A) in a ratio in accordance with the number of dividend investment shares A issued;
- iii. the right to their redemption at the owner’s request on the account of subfund NOVA Green Energy – subfund 1, where the current value of a redeemed investment share is determined based on the formula stated in Article 33.2 and 33.3 of the articles of association; and
- iv. a voting right only in cases set out by these articles of association or in cases where the law so provides, i.e. in particular if the law, within the meaning of Section 162(2) of the Act, requires a vote at the general meeting by classes of shares.

Dividend investment shares A will be issued as book-entry securities.

- b) “Growth investment share A”, which will be issued for subfund NOVA Green Energy – subfund 1, is a share with special rights, where all the growth investment shares A comprise one class. The following rights are linked to growth investment shares A:
- i. the right to a share in the liquidation balance upon the dissolution of subfund NOVA Green Energy – subfund 1 with liquidation, in an amount that is determined as a proportion of the total liquidation balance—as the share of the value of all growth investment shares A as of the day as of which the decision was taken to liquidate subfund NOVA Green Energy – subfund 1 in the total value of all investment shares A (i.e. both dividend investment shares A and growth investment shares A) issued as of the day as of which the decision was taken to liquidate subfund NOVA Green Energy – subfund 1, where (a) the value of all growth investment shares A issued as of the day as of which the decision was taken to liquidate subfund NOVA Green Energy – subfund 1 is determined as the sum product of the current value of a growth investment share A determined based on Article 33 of these articles of association as of the day as of which the decision was taken to liquidate subfund NOVA Green Energy – subfund 1 and the number of all growth investment shares A issued as of the day as of which the decision was taken to liquidate subfund NOVA Green Energy – subfund 1 and (b) the total value of all investment shares A (i.e. both dividend investment shares A and growth investment shares A) issued as of the day as of which the decision was taken to liquidate subfund NOVA Green Energy – subfund 1 is determined as the sum of the product of the current value of a dividend investment share A determined based on Article 33 of the articles of association as of the day the decision was taken to liquidate NOVA Green Energy – subfund 1 and the number of all dividend investment shares A issued as of the day as of which the decision was taken to liquidate subfund NOVA Green Energy – subfund 1 and the product of the current value of a growth investment share A determined based on Article 33 of these articles of association as of the day as of which the decision was taken to liquidate subfund NOVA Green Energy – subfund 1 and the number of all growth investment shares A issued as of the day as of which the decision was taken to liquidate subfund NOVA Green Energy – subfund 1. The amount determined is divided among growth investment shares A (share in the liquidation balance for growth investment shares A) in a ratio in accordance with the number of growth investment shares A issued;
 - ii. The right to their redemption at the owner’s request on the account of subfund NOVA Green Energy – subfund 1, where the current value of a redeemed investment share is determined based on the formula stated in Article 33.2 and 33.3 of the articles of association;
 - iii. A voting right only in cases set out by these articles of association or in cases where the law so provides, i.e. in particular if the law, within the meaning of Section 162(2) of the Act, requires a vote at the general meeting by classes of shares.

Growth Investment shares A will be issued as book-entry securities. A right to the payment of a share in profit is not linked to growth investment shares A, where the value of unpaid profit is reflected in the current value of growth investment shares A.

The tempo of growth in performance of both types of investment shares A, i.e. dividend and growth investment shares A is the same and equal.

Acceptance for Trading or Registration on European Regulated Market or Acceptance for Trading in MOS.

- 3.27 Shares in the Fund have not been accepted for trading on a regulated market, i.e. they are not listed on any (even another European) regulated market or accepted for trading in any multilateral trading system.

Founders shares have the form of securities in certificated form and investment shares have the form of book-entry securities recorded in records related to the central records of the Central Securities Depository. Founders and investment shares are registered shares.

The value of founders shares is stated in Czech koruna (CZK). Shares (neither founders nor investment) do not have a nominal value, they are no-par value shares.

- 3.28 Investment shares can be issued in various currency classes, in particular as koruna (CZK class) and Euro (EUR class). The currency class of a share means that the issue price of such shares is paid up in the currency in which the investment share is issued and all performance from the Fund (share in profit, amount for which the shares are redeemed, etc.) is paid out in the currency in which the investment shares are issued.

- 3.29 Investment shares of the Subfund are issued as book-entry securities and are held by shareholders of the Subfund, who are responsible for their custody through a Central Securities Depository member or through records related to the Central Securities Depository's records that are maintained by the Management Company in cooperation with ČSOB (a bank). Shares in the Fund that are issued as securities are held by shareholders in the Fund on the asset accounts of owners in records related to the central records of the Central Securities Depository, or of individual members of the Central Securities Depository stated at its website.

- 3.30 The Fund maintains a list of shareholders in the Fund in accordance with Section 264 of the Act on Business Corporations.

- 3.31 A person that has a holding in the Fund's capital is entitled to exercise the rights of a shareholder as a partner, in the case of founders shares from the moment they were effectively subscribed and in the case of investment shares from the moment of issue of the investment shares.

- 3.32 Fund shareholders have an interest in the Fund's assets in a ratio corresponding to the number of shares in the Fund they own. Owners of investment shares issued for a certain subfund have a holding in the Subfund's assets (the Subfund's fund capital) in a ratio corresponding to the amount of investment shares issued for such Subfund that they own.

- 3.33 Description of rights related to shares in the Fund

A person that has an interest in the Fund's registered capital is entitled to exercise the rights of a shareholder as a partner, in the case of founders shares from the moment they were effectively subscribed and in the case of investment shares from the moment of the issue of the investment shares.

All rights related to founders or investment shares of the Fund are described in the Fund's articles of association. Fund shareholders have a holding in the Fund's Assets in a ratio corresponding to the amount of shares of the Fund they own. Owners of investment shares issued for a certain subfund have a holding in the subfund's assets (the subfund's fund capital) in a ratio corresponding to the investment shares issued for such subfund that they own.

The following rights, in particular, are linked to shares of the Fund (founders or investment shares):

- a) to participate in the management of the Fund or the relevant subfund in accordance with generally binding legal regulations, the articles of association and these Statutes;
- b) to a share in the profit made by the Fund or the relevant Subfund;
- c) to a share in the liquidation balance upon the dissolution of the Fund or the relevant subfund;
- d) to the free provision of the Statutes of the Fund or the relevant subfund, the last annual report, if the shareholder so requests.

The documents stated in subpara. d) are published and also available to every shareholder or subscriber in accordance with Article 17 of the Statutes.

The aforementioned summary does not prejudice any other rights resulting for a shareholder in the Fund from generally binding legal regulations and the Fund's articles of association.

- 3.34 The documents stated in subpara. d) are published at the Subfund's website www.redsidefunds.com and are available to every shareholder or subscriber in accordance with Article 17 of the Statutes.
- 3.35 The aforementioned summary does not prejudice any other rights resulting for a shareholder in the Fund from generally binding legal regulations or for shareholders in its subfunds.
- 3.36 As another document of the ownership right to shares in the Fund or its Subfund the Fund will issue an extract from the list of shareholders in which the number of shares in the Fund is stated, together with the date of their subscription and the total number of shares in the Fund held by the shareholder as of the day an extract is prepared through the administrator to the shareholder in the Fund that acquires shares in the Fund. In the case of investment shares of the Subfund, the statement will also specify information about the subfund. A statement is issued at a shareholder's request.
- 3.37 The Fund's articles of association will be provided to an investor at its request using the procedure in accordance with para. 15.3 of the Statutes.

Investment shares in the Fund for qualified investors can be publicly offered, as the Fund is entered in the list maintained by the CNB. Only a qualified investor can become an investor, which must expressly be stated in a public offer. In the case of a cross-border offer by the Fund in another EU Member State, notification of the Fund on the Member State's territory must be arranged in accordance with Sections 311 to 314 of the Act.

PART TWO**SUBFUND****4 Basic Information about the Subfund**

Information about Subfund

Subfund's name: **NOVA Green Energy – subfund 1** (hereinafter the “**Subfund**”)

The Subfund is part of the Fund's property that is separate in terms of accounting and assets.

5 Investment Aims and Strategy of the Subfund

- 5.1 The Subfund's investment aim is the constant appreciation of funds contributed by the Subfund's shareholders, in particular based on direct or indirect investments in new projects and the development of business plans. The projects are focused, in particular, on the power industry and especially the segment of SMEs involved in the production of electrical or heat energy primarily from renewable sources (photovoltaics, wind and water energy, biomass, biogas stations and others). The yields from the investments will primarily be from interest on loans provided to the relevant project companies owned by the Subfund and a share in the profits made by a project and business plan. Part of the profits resulting from the Subfund's portfolio will, in accordance with the investment aim stated in the previous sentence, be reinvested, or they could be paid out in the form of dividends to shareholders. As a supplementary type of investment, the Subfund can invest using investment instruments on the domestic financial market and foreign financial markets.

6 Investment Strategy of the Subfund

- 6.1 From the viewpoint of the risk of the type of assets in which the Fund mostly invests, the Fund is a qualified investors fund with a focus on direct or indirect investments in new projects and the development of business plans, in particular for the power industry. The Fund chooses investments from the segment of SMEs involved in the production of electrical energy primarily from renewable energy sources (photovoltaics, wind and water energy, biomass, biogas stations and others).
- 6.2 The Subfund's investment activities will be focused on the following assets:
- a) Interests in business corporations whose objectives include the production of electrical or heat energy from renewable sources, the operation or maintenance of sources of electrical or heat energy (solar and wind power plants, hydroelectric power plants, heat and power generation units, energy production units for heat and/or electricity from biomass, biofuel, natural gas and others) or the provision of energy services.
 - b) Investments as a part of the administration of related buildings and land, preparatory work for buildings and installations of technologies, design activities in capital construction, construction, the performance of work, production of related material or completion construction work. The Fund can also acquire interests in business corporations whose predominating objective is the acquisition of interests in the business corporations defined in the previous sentence or their direct financing. When selecting suitable business corporations for acquisition as an asset of the Subfund, the Subfund will take into consideration, in particular, the conditions for supporting renewable sources on the territory of the country in which the business company performs its activities and the business corporation's current results. Also the regulatory and market environment, the quality of suppliers of

technology and guarantees, the purchase prices of outputs (electricity, heat, etc.), the political and exchange rate risk.

- c) The Fund can also finance power projects as a part of newly-established business corporations in which a project is starting to be realised (development), either directly or indirectly through a parent company.
- d) Interests in business corporations burdened by a lien and liabilities, e.g. from banking finance (primarily project, senior, mezzanine and junior financing) can be acquired for the Subfund's assets only if the economic suitability of such operation is maintained (i.e. if the price of acquisition corresponds to the existence of the specific right in rem). In the same way, in the case of a current interest in the Subfund's assets its burdening with third-party rights is only possible provided the above rules are complied with. The Management Company decides on the establishment of a lien or preferential right for business corporations in the Subfund's assets. Third-party rights, however, can also arise under the law, through the decision of a court or administrative body.

When selecting suitable corporations/interests, the Subfund will take into consideration a company's financial results, the amount of its equity, the extent of the company's debt, the value and quality of its tangible assets and the experience of the company's management.

- e) The provision of loans and credits (in compliance with the rules stated in Article 10) to the companies specified in subpara. a) and c), above, whose projects and business plans are reasonably assumed to provide higher appreciation of financial means invested or companies that provide loans and credits, in particular, to the companies specified in subpara. a), above, whose projects and business plans are reasonably assumed to provide higher appreciation of financial means invested.

When selecting suitable companies/debtors, the Subfund will take into consideration a company financial results, the amount of its equity, the extent of the company's debt, the value and quality of its tangible assets, the experience of the company's management, the due date and amount of the interest rate for any loan or credit.

- f) Deposits with banks or foreign banks.
- g) Bonds issued by the companies specified above in subpara. a) and c).
- h) Money market instruments.
- i) Publicly traded and untraded corporate bonds of reputable financial groups and financial institutions.
- j) Investments in modern technology and power services, such as accumulation, aggregation and community energy.
- k) Publicly traded shares in "green" companies.
- l) Investment funds focused on power from renewable energy resources on markets in European companies.
- m) In the case of investments in accordance with subpara. f), h), i), j), k) and l), the Subfund undertakes to comply with the investment strategy specified in subpara. a), to check compliance with this criterion and, if discrepancies are ascertained in accordance with subpara. a), the Subfund undertakes to get rid of such asset within one month of making such finding.

6.3 When managing the Subfund's assets, it is possible to use the techniques and tools stated in Part Three, Chapter II of the Regulation. While managing the Subfund's assets, the Manager can use repo transactions

and financial derivatives as a support method of managing the Subfund's assets (e.g. when managing currency risk).

- 6.4 The limits for restriction and diversification of the risk are stated in Article 7 of these Statutes.
- 6.5 The Subfund draws attention to the fact that investing could entail an increased risk, although the Subfund invests in accordance with the principles stipulated by the Statutes and legal regulations and that the individual risks related to the aforementioned investments are stated in the Subfund's risk profile (Article 8) and in the Key Information Document (KID) published at the Management Company's website.
- 6.6 The Subfund will not perform repo transactions or lend securities. The Fund will not perform default transactions.
- 6.7 The Subfund does not intend to follow any particular index or benchmark in its activities.
- 6.8 The Subfund is not a hedge fund, i.e. the return on the investment, part thereof and/or the yield on the investment are not guaranteed. In connection with the Subfund's activities, shareholders of the Subfund will not, for the purpose of their protection, be provided with any security or guarantees from third parties.
- 6.9 The Subfund is entitled to receive a loan or credit. The Subfund is entitled to use its assets to provide a loan or credit. A detailed definition of the rules and limits is set out in Article 10 of these Statutes.
- 6.10 The Subfund is entitled to use assets to provide a gift, security for the debt of another or to settle a debt that is not related to management, only provided that such provision brings the Subfund a positive economic effect.
- 6.11 Investment in the Subfund is suitable, in particular, for qualified investors with experience of private equity investments, i.e. direct and indirect investments in projects and business plans in various industries, but primarily the sector of electricity production from renewable energy sources. An investor should be thinking of a medium-term or long-term time horizon for the investments. An investor should be able to accept a longer period of negative trends in the value of the Subfund's investment shares (see the KID for the Fund and its Subfund).
- 6.12 The experience of potential directly investing shareholders will be verified using the Management Company's questionnaire, if required by Section 272 of the Act. The relevant questionnaire will examine potential shareholders' experience with investments in the assets on which the Subfund's investment strategy is focused.
- 6.13 The Manager can, during the management of the Subfund's assets, make use of leverage at the level of the Subfund and at the level of subsidiaries; the limits for the degree of use of leverage are set out as a part rules for the acceptance of loans and credits in paragraph 10 of these Statutes.
- 6.14 The Fund's underlying investments do not take into consideration EU criteria for environmentally sustainable economic activity, as set out by Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investments and amending Regulation (EU) 2019/2088.

7 Limits for Restriction and Diversification of Risk

7.1 The Subfund's basic limits for restriction and diversification of risks are as follows:

- a) The value of the Subfund's Interest in one company can comprise no more than 55% of the value of the Subfund's assets. The value of the Subfund's Interest in one investment fund can comprise no more than 10% of the value of the Subfund's assets.

The maximum limit on investment in all companies can comprise up to 100% of the value of the Subfund's assets.

The maximum limit on investments in all investment funds can be up to 10% of the value of assets in the Subfund, where exceptions from the duty to comply with investment limits in accordance with Article 7.2(a) of these Statutes do not apply to funds.

- b) The principal amount of loans or credits to one debtor (one investment fund) or bonds issued by one issuer can be up to 35% of the value of the Subfund's assets.
- c) The investments that the Fund intends to realise must, in accordance with Section 22(2)(2) of the Act, be assessed by an analysis of economic profitability (the amount of the investment including future investment costs, the risk-adjusted return, the investment horizon), where such analysis of economic profitability is drafted by the Management Company's board of directors.
- d) The share of liquid assets will usually be lower than 10% of the net asset value (NAV) and only in the short term can it reach higher values, typically after the sale of a significant asset from the Subfund's portfolio. The liquid part of the Subfund's assets is invested by the Subfund in the short term in:
 - i. freely disposable deposits or term deposits with a maturity date no more than three months in the future, if they are deposits with a bank, branch of a foreign bank or foreign bank that complies with the precautionary principles in accordance with European Communities law or rules that CNB regards as equal and for which the Subfund has the depositary's consent;
 - ii. government treasury bills and similar foreign securities.

The maximum limit on investments in investment securities or money market instruments issued by one issuer and deposits with such issuer cannot exceed 20% of the value of assets in the Subfund.

7.2 In the event of a discrepancy between the structure of the Subfund's assets and the investment limits stated above for reasons that arise independently of the Management Company's will, the Management Company will rectify this state within a reasonable period (but within no more than two months), so that the interests of shareholders of the Subfund are supported to the greatest extent.

8 Risk Profile

8.1 Before investing in the Subfund, potential investors should consider the possible risks resulting from investing in the Subfund. Investing in the Subfund is not linked to any form of protection of the return on investment or capital coverage. The value of an investment may rise, but also fall, there is no guarantee of any return. In the same way, past performance is no guarantee of future performance. Investment in the Subfund is intended to achieve a yield if held over the long term and it is not suitable for short-term speculation.

8.2 The key risks in general in the area of renewable resources include the technology risk, the project implementation risk and also the natural risk. All these risks cover, in particular, the possible non-

functionality of the technology or non-achievement of the expected technical parameters as a consequence of which a facility will not be operated efficiently and/or with higher-than-expected costs. The specific risk of instability of government energy policy is very significant and could negatively impact the value of the Fund's assets.

- 8.3 Another specific risk is the technology risk for renewable energy sources, as well as the operating risk for resources for the production of electricity and heat from renewable sources that is linked only to natural conditions and cannot be controlled. For such sources it applies that there can be oscillation in the average values of wind, sunlight and other uncontrollable natural conditions. The investments on which the Fund focuses in the Czech Republic and abroad are subject to state regulation and there can be a change in the laws, both in the Czech Republic and in other countries in which the Fund invests; after such change the legal relations related to the Fund's investments can markedly differ from the current situation.
- 8.4 In accordance with Commission Regulation (EU) No 583/2010 the Subfund provides its investors with key information, including information about the risks undertaken and the Subfund's risk profile. The Subfund draws investors' attention to the fact that the value of an investment in the Subfund can rise and fall and the return of the originally invested amount is not guaranteed. The Subfund's past performance does not guarantee the same or better performance in the future. Investment in the Subfund is intended to achieve a yield if held over the medium term to long term, so it is not suitable for short-term speculation.
- 8.5 The Subfund informs investors of the risks and risk profile through the KID (Key Information Document), which was drafted based on the regulation on PRIIPs (Packaged Retail and Insurance-based Investment Products) and which contains all information about the Fund's risk profile and is available at the Fund's website.
- 8.6 The relevant risks related to the Subfund's investment policy that could influence the value of investments in the Subfund are, in particular, risks related to the Subfund's investment focus, primarily the following risks:
- a) Risks related to the possibility of failure of a company in which the Subfund has a holding, consisting of the fact that such company can be affected by business risk. As a consequence of this risk there could be a fall in the market price of a holding in the relevant company or its complete loss of value (e.g. in the case of insolvency), or impossibility to sell a holding in such company. Regarding Interests in business corporations there is a special risk of delay or non-completion of a project, and the unsuccessful development of a company's business plans. If the Subfund acquires assets for its portfolio in newly established business corporations in which project implementation is only just starting, there is a risk of delay or an increase in the costs of the project, as a consequence of which the Subfund could suffer damage. With regard to the nature of the assets, there is also a risk such asset could be destroyed, whether as a consequence of actions by a third party or as a consequence of force majeure.
 - b) Risks related to the failure of a company to which the Subfund provided a loan or credit consisting of the fact that such company could be affected by business risk—loan risk, consisting of the fact that the issuer or counterparty does not comply with its obligations. As a consequence of this risk there could be a fall in the market price of a receivable from the relevant company or it could lose all value (for example in the event of insolvency) or a loan may not be returned. Regarding the provisions of loans and credits to entities that focus on new projects or the development of business plans, there is a special risk of delay or non-completion of a project or business plan development by the relevant entity.

- c) Risk of insufficient liquidity consisting of the fact that a certain asset in the Subfund will not be liquidated on time for a reasonable price and that the Subfund will not be able, for this reason, to meet its obligations under a request for the redemption of securities issued by the Fund, or the redemption of securities issued by the Fund could be suspended.
- d) Credit risk, i.e. risk related to possible non-compliance with obligations by a counterparty of the Subfund, where the issuer of an investment instrument owned by the Subfund or counterparty in a contractual relationship (during the realisation of a specific investment) does not comply with its obligations, or the debtor under a receivable does not repay the receivable in time and in full.
- e) Settlement risk linked to the fact that the settlement of a transaction does not take place as expected, because the counterparty does not pay and does not supply investment instruments by the deadline set.
- f) Market risk resulting from the influence of developments on the energy market affecting prices and values of individual assets in the Subfund's portfolio, fluctuations in the prices of outputs (in particular the prices of electricity, heat, etc.).
- g) Risks related to construction and technical defects consisting of the fact that the projects that are implemented by the companies stated in Article 6.2(a) of these Statutes can be affected by construction defects that could, for example, be hidden defects or defects that come to light after a longer period of time. This risk can be eliminated by quality construction and technical inspection and contractual liability for defects. A consequence of such defects can be a reduction in the value of the Subfund's assets and increased costs, etc.
- h) The Subfund also faces natural risk, as renewable resources are directly linked to natural conditions that cannot be influenced from outside. For these resources it applies those annual values for wind, sunlight or crop yield for biomass production could significantly oscillate. Negative trends in expected values could also result from the non-functionality of the technology or non-achievement of the expected technical parameters as a consequence of which a facility will not be operated efficiently and/or with higher-than-expected costs.
- i) Risks related to the acquisition of a foreign Interest, consisting of the fact that in the case of foreign business corporations there is a risk of political, economic or legal instability. As a consequence of this risk there could be, in particular, unfavourable conditions for the disposal (sale) of Interests, for example due to foreign-exchange or legal limitations, an economic recession or, in an extreme case, nationalisation.
- j) Risk linked to financing the realisation of an energy project, consisting of the fact that when financing the realisation of an energy project there is a risk resulting from the specifics of realisation, e.g. force majeure hampering or making a construction impossible, noncompliance with the work schedule, etc. This risk can be limited through the thorough selection of leading suppliers, developers and construction contractors, together with the performance of control activities by construction and technical supervisors, as stated in Article 6.2(a) of these Statutes.
- k) Risk of an increase in investment costs for individual projects compared to the level expected in the business plan for the relevant project.
- l) Concentration risk for selected investment partners (e.g. the Arca Capital financial group). Investments by the Subfund can be concentrated in projects, investments and values that the Fund purchases as a part of selected financial groups. Investments in such projects (shares, interests, bonds, special-purpose loans or other forms of interests in commercial companies) can be

concentrated in companies in the portfolio of one financial group. The failure of such financial group could have a negative influence on the Subfund's performance without the administrator or management having a chance to influence it. The business risk consists of the non-achievement of the business plans for individual projects or the failure of such financial group as a counterparty of the Fund, including project companies belonging to such financial groups.

- m) Risk resulting from public-law regulation related to the realisation of projects by the companies stated in Article 6.2(a) of these Statutes, in particular late issue of decisions necessary for construction (for example reservation contracts, site permits, building permits, public-law contracts, occupancy permits, etc.) compared to the date anticipated in the business plan for the relevant project or a state where the realisation of a project is entirely impossible due to the non-issue of one of the necessary public-law documents or additional or retroactive price regulation for electricity and heat.
- 8.7 As a consequence of cases posing the risks stated in the previous Article 8.6 of these Statutes there could be a delay, reduction or complete loss of the revenues anticipated by the business plan for the relevant investment. Such state could be a barrier to the coverage of the Subfund's investment.
- 8.8 Other relevant risks that could impact the value of an investment in the Subfund:
- a) Risk of volatility of the current value of investment shares issued by the Subfund as a consequence of changes to the composition or value of the Subfund's assets.
 - b) Operating risk—loss due to the influence of shortcomings or failure of internal processes or the human factor or the influence of external events and the risk of loss of assets placed in trust or custody, which could be caused, in particular, by insolvency, negligence, or intentional actions by the person holding the Subfund's assets or securities issued by the Fund in trust or custody.
 - c) Settlement risk—transactions in the Subfund's assets could be frustrated as a consequence of the inability of the counterparty in the transaction to meet its obligations and supply assets or pay by the agreed date.
 - d) Currency risk consisting of the fact that the value of an investment can be influenced by a change to the exchange rate. Changes to the exchange rate of the base currency value of the Subfund or another currency in which investments in the Subfund are denominated could lead to a fall or increase in the value of an investment instrument denominated in such currency. Unfavourable currency fluctuations could lead to a loss, where both classes of investment shares (EUR and CZK) share exchange rate profits and losses equally, the result is therefore the same percentage performance of the Subfund for both classes of investment shares without regard to the composition of assets.
 - e) Risk that the Fund could be dissolved for statutory reasons.
 - f) Risk that the CNB will withdraw the Management Company's licence to conduct activities, if a decision is issued on its insolvency or if an insolvency application is rejected because the Management Company's assets are not sufficient to settle the costs of insolvency proceedings.
 - g) Risks resulting from limitations on inspection activities of the Depository [the acquisition or alienation of asset values in the Subfund's portfolio in accordance with Section 73(1)(f) of the Act]. Due to the exclusion of inspection activities, the Subfund's activities could give rise to doubts that would not arise in the event that the Depository were authorised to perform such inspection activities. Such failure could unfavourably influence the value of the Subfund's assets, the value of investment shares in the Subfund and the Subfund's ability to fulfil its obligations.

- h) The risk that the value of assets in the Subfund could fall as a consequence of legal defects in the acquisition of Interests or the provision of loans or credits, e.g. as a consequence of the existence of a third-party pledge, right of first refusal or limitations on the acceptance of loans and credits.
- i) Risk of a loss of assets deposited because the Subfund's assets are held in trust and there is a risk of loss of the Subfund's assets held in trust or custody, which could be caused by insolvency, negligence, or intentional actions by the person holding the Subfund's assets in trust or custody.
- j) Risk of legal defects—the value of the assets of the Subfund may fall as a consequence of legal defects of the trademark, trade name or copyright, for example as a consequence of defective registration, insufficient territory or type-related protection, the existence of a dispute with another entity, lease or purchase option.
- k) Risk concerning sustainability, representing an event or situation in the environmental or social field or in the field of administration and management that, in the event it occurred, could have an actual or possible significant unfavourable impact on the value of an investment. These risks and unfavourable impacts of investment decisions on sustainability factors (environmental, social and employment matters, compliance with human rights and the fight against corruption and bribery) are taken into consideration in accordance with the published policy of integrating risks into the investment decision processes.

9 Subfund Management Principles

- 9.1 The Subfund's fiscal year is the period from 1 January to 31 December of the calendar year.

The approval of the Subfund's financial statements, as well as decisions on the distribution of profit or other revenues from the Subfund, is within the general meeting's remit.

- 9.2 The current value of an investment share of the Subfund is determined based on the Subfund's capital, for the relevant calendar month (e.g. January) in accordance with the balance as of the last day of the relevant calendar month (e.g. as of 31 January) (this day is the decisive day within the meaning of Section 130(1) of the Act) and is known and published at the Fund's website no later than the 15th day of the following calendar month (e.g. by 15 February) (this day is also the end of the period for the calculation of the current value of an investment share within the meaning of Section 193(1) of the Act). The current value of an investment share is rounded out to four decimal places (to a hundredth of a cent/heller) mathematically. The current value of an investment share of the Subfund is determined for each type of investment share, as well as for each class, independently (i.e. independently for dividend investment shares and growth investment shares and independently also for the separate currency classes of each type of investment share). The current value of an investment share is calculated without the drafting of financial statements.

- 9.3 The Subfund's assets and debts from investment activities, including investment instruments in the Subfund's portfolio, are valued at their fair value in accordance with International Accounting Standards IFRS 13, in particular using the valuation techniques in accordance with the Article 62 of IFRS 13. The fair value of all assets and Interests in the Subfund's portfolio from investment activities is determined at least once a year by an independent expert opinion. The fair value of loans and credits provided by the Subfund is determined at the value of the principal, unless the Management Company is aware of serious reasons concerning the debtor's creditworthiness allowing the Fund to proceed otherwise. The method for determining the fair value of other assets and liabilities of the Subfund and the method of determining the current value of investment shares of the Subfund is set out by an implementing legal regulation and an internal regulation of the Management Company on the valuation of assets and liabilities of funds and

their subfunds. An evaluation of the fair value of Interests owned by the Subfund will be prepared by the Management Company using authorised independent persons. The Manager can value the Subfund's assets and liabilities under the conditions stipulated in Section 195 of the Act.

9.4 Should there be a sudden change in circumstances affecting the value of investment shares, at the request of all shareholders of the Subfund the Management Company will conduct a valuation reflecting the current circumstances having an impact on the fair value of the assets in the Subfund (hereinafter an "Extraordinary Valuation"). Based on the Extraordinary Valuation, the Management Company will also make an "extraordinary determination of the current value of an investment share", which, together with the date of the Extraordinary Valuation, shall be sent without undue delay to all shareholders of the Subfund in a form specified in Article 16.2 of these Statutes or through the Subfund's website.

9.5 When converting the values of assets denominated in foreign currencies, the CNB foreign exchange market rate published by the CNB and valid as of the day the conversion is performed will be used.

During the determination of the value of an investment share, an "operational deviation" in equity might occur due to technical or human factor. The value of an investment share will not be corrected if an operational deviation is no more than +/- 0.5% of equity.

9.6 The Management Company makes decisions about all particular investments and divestments, using the procedure specified in the Management Company's internal regulations, nevertheless it will consider decisions of the Subfund's investment committee, if established.

9.7 The Subfund's profit or loss is determined as the difference between the Subfund's revenues and costs. The revenues from the Subfund's assets are used to cover costs, unless generally binding legal regulations or these Statutes provide otherwise. If profit is posted as a result of the Subfund's economic activities (the excess of the Subfund's revenues over costs), the Management Company, as the statutory body, will decide on the payment of a share in profits, with a pay-out ratio of up to 100 % of the profit generated for the fiscal year. Determining the specific amount of the share in profits paid out is within the remit of the Subfund's Management Company. The unpaid portion of the profit generated may be used for reinvestment to increase the Subfund's assets. If a loss is posted as a result of the Subfund's economic activities for a fiscal year (an excess of the Subfund's costs over revenues), the resulting loss will be settled from the Subfund's resources. Retained profit from previous years will preferentially be used to cover a loss. If such financial means of the Subfund are insufficient to cover a loss, the loss must be covered by a decrease of the Subfund's capital fund in the fiscal year following the year in which the loss arose.

9.8 Information about Payment of Share in Profit

In the event the Subfund makes a profit (a surplus of the Subfund's revenues over the Subfund's expenses), the Subfund will primarily pay out a share of profit, in accordance with these Statutes and the Fund's articles of association. The Management Company will decide that the Subfund's shareholders holding dividend investment shares will be paid the profit generated by the Subfund in the past calendar year or a portion of it as a share of the Subfund's profit (a "Share in Profit"). Within the Subfund, the general meeting decides on the payment of a Share in Profit. The Subfund can only pay a Share of Profit to the shareholders after the auditor has audited the Subfund's ordinary financial statements.

The decisive date for payment of a Share in Profit is the last business day in the month in which the general meeting is held, i.e. the right to a Share in Profit is held by the holders of dividend investment shares who, as of the decisive date, own dividend investment shares of the Subfund. In the event it is a business day, on the same day as the decisive day the general meeting of the Fund and Subfund will be held and will decide on the payment of a Share in Profit. By 30 April of the year following the year for which a Share in

Profit is paid out, the Management Company shall submit audited financial statements in the form of an annual report to the CNB and they will serve to calculate the amount of the Share in Profit paid out.

For investor protection reasons, as of the decisive day for the payment of a Share in Profit (dividend) shareholders that have submitted a request for the redemption of investment shares by the Subfund (redemption request) are not entitled to the payment of a dividend, with the exception of a case where the redemption request is submitted in the month in which the general meeting deciding on the payment of a dividend is held (or in which the decisive day for the payment of a dividend is).

The Share in Profit of an individual shareholder holding dividend investment shares is calculated as a total amount paid as the Share in Profit to all shareholders holding dividend investment shares multiplied by the ratio of the number of dividend investment shares of the Subfund held by the shareholder to the total number of existing dividend investment shares of the Subfund, as of the decisive date.

A Share in Profit is payable by 31 July of the calendar year following the year for which the Share in Profit is paid out on the basis of audited statements that were submitted to the CNB. A Share in Profit is paid out to a bank account maintained with a bank or a branch of a foreign bank in the Czech Republic stated in the list of shareholders unless a shareholder and the Management Company agree otherwise. A Share in Profit is paid out by the Management Company from the assets in the Subfund. The right to a Share in Profit is time-barred three years after the due date.

10 Rules for Provision and Acceptance of Loans and Credits, Conditions for Use of Leverage

Acceptance of Loans and Credits by Subfund

- 10.1 When managing the Subfund's assets, it is possible to make use of leverage at the level of the Subfund's assets through the acceptance of loans and credits from financial institutions and banks as a part of standard banking transactions. The Subfund may accept a loan or credit with a maturity not exceeding three years under standard conditions on the market, up to 95% of the value of the Subfund's assets (calculated for each individual credit or loan). The sum of all loans and credits accepted by the Subfund may not exceed 95% of the value of assets in the Subfund and at the same time the interest charge will consider rules for low capitalization. In the event of the acceptance of a loan or credit for the purpose of acquiring, maintaining or improving the state of an interest in a subsidiary, such loan or credit received can be equal to no more than 95% of the value of the asset acquired. Contracts on the acceptance of a loan or credit concluded between the Subfund, as the debtor, and a financial institution, as the creditor, will contain all standard LMA (Loan Market Association) provisions. The Subfund, as the debtor and collateral provider, can provide a reasonable standard extent of collateral for a loan or credit accepted from the Subfund's assets. Risks related to the use of leverage are, in particular, increases in interest rates in connection with a loan or credit or a possible fall in the value of the underlying asset for the loan or credit and the related duty to make up for such fall using own capital.
- 10.2 When managing the Subfund's assets, it is possible to make use of leverage at the level of the assets of subsidiaries owned by the Subfund (SPV level) through the acceptance of loans and credits from financial institutions and banks. Limits for the degree of use of leverage at the level of assets of SPVs are set at a maximum of 85% of the value of assets (equity) in the relevant SPV, i.e. of the project value. Contracts on the acceptance of a loan or credit concluded between a property company, as the debtor, and a financial institution, as the creditor, will contain all standard LMA (Loan Market Association) provisions. A subsidiary, as the debtor and collateral provider, can provide a reasonable standard extent of collateral for a loan or credit accepted from its assets. Risks related to the use of leverage are, in particular, increases

in interest rates in connection with a loan or credit or a possible fall in the value of the underlying asset for the loan or credit and the related duty to make up for such fall using own capital.

- 10.3 The Subfund can provide collateral for loans and credits accepted from its assets, provided that the provision of such collateral has a positive economic benefit and a cost-benefit analysis is prepared. The provision of collateral must be in line with the Subfund's overall investment strategy and may not unreasonably increase the risk of the Subfund's portfolio.
- 10.4 The Subfund can, for a limited time, accept loans and credits from subsidiaries (SPVs) in which it holds an ownership interest of at least 90%, but only under the condition that it is economically suitable for the SPV and the Subfund does not have more suitable alternatives for financing at the relevant moment.

Provision of loans and credits by Subfund

- 10.5 The Subfund can also provide special-purpose loans and credits, up to an aggregate amount of 100% of the Subfund's assets. Loans or credits will be provided by the Subfund with a maturity not exceeding ten years and under usual business conditions. A condition for the provision of a loan or credit from the Subfund's assets will be the provision of reasonable collateral (for example a pledge, promissory note, guarantor's statement, etc.), with the reservation of the conditions in the following paragraph.

If a loan or credit is provided to a business corporation in which the Subfund has an Interest enabling the control of such company, the Subfund does not have to require from such company collateral for such loan or credit, with regard to the existence of the mutual relationship of a controlling and controlled entity, and the Subfund can also contractually subordinate its own receivables under loans or credits provided to such company to the receivable(s) of another creditor. The provision of loans or credits to other entities is possible only with the corresponding collateral ensuring full repayment of the loan or credit.

11 Information about Investment Shares Issued by Fund for Subfund

- 11.1 Identification code according to the international system of numbering for the identification of securities (ISIN)—both the growth and dividend classes of investment shares of the Subfund for both EUR and CZK issues will be allocated by the Central Securities Depository. Growth investment shares A in CZK and EUR classes and dividend investment shares A in CZK and EUR classes are issued for the Subfund. Where reference is made in these Statutes to investment shares of the Subfund, it refers to the growth or dividend shares A.
- 11.2 The investment shares of the Subfund are book-entry registered securities. The investment shares are issued as no-par value shares. The currency of an investment share is either Euro (EUR) or the Czech koruna (CZK).
- 11.3 The investment shares are registered in the follow-up records linked to the central records kept by Central Securities Depository. The follow-up records linked to the central records are kept by either the Management Company through its customer account with the Central Securities Depository administered by ČSOB, a.s., or by a Central Securities Depository member.
- 11.4 **Calculation of Value of Investment Share for Period Reflecting Different Currencies of Investments (EUR and CZK)**
- 11.5 In accordance with these Statutes, the Fund may issue investment shares of the Subfund in Czech koruna (CZK) or in Euro (EUR) (hereinafter jointly referred to as "Investment Shares Classes"). The Fund may issue the following types of investment shares for the Subfund:

- Dividend investment shares A
- Growth investment shares A

both classes of investment shares in two currency classes, CZK and EUR.

Prerequisites and mechanism of calculation of individual currency classes for investment shares:

- Every currency class of investment shares (CZK, EUR) is valued separately with regard to the date of the first subscription of the investment shares in the relevant currency class;
- The value of each new subscription of investment shares is determined as the value of the investment shares of the currency class as of the end of the previous month; Both currency classes of investment shares show the same inter-month performance as the total performance of the Subfund as such, expressed using the “k” coefficient, as described below;
- The currency risk of currency fluctuations (EUR and CZK) is spread between holders of both currency classes of investment shares in proportion to the current asset structure of the currencies in question, i.e. an investor may be exposed to a certain currency risk because the Subfund holds both EUR assets and assets denominated in Czech koruna.

1) Calculation of Subfund’s performance coefficient:

$$k = \text{NAV2} / (\text{P12} * \text{H11} * \text{FX2} + \text{P22} * \text{H21} * \text{FX2} + \text{P32} * \text{H31} + \text{P42} * \text{H41})$$

k - performance coefficient for current month

NAV2 – Subfund’s net assets at the end of the month

P12 – number of dividend class shares in EUR at the end of the current month

H11 – value of dividend class share in EUR at the end of the previous month

P22 – number of growth class shares in EUR at the end of the current month

H21 – value of growth class share in EUR at the end of the previous month

P32 – number of dividend class shares in CZK at the end of the current month

H31 – value of dividend class share in CZK at the end of the previous month

P42 – number of growth class shares in CZK at the end of the current month

H41 – value of growth class share in CZK at the end of the previous month

FX2 - EUR/CZK exchange rate at the end of the current month

2) Calculation of value of an investment share of the Subfund:

$$\text{H12} = \text{H11} * k$$

$$\text{H22} = \text{H21} * k$$

$$\text{H32} = \text{H31} * k$$

$$\text{H42} = \text{H41} * k$$

H12 – value of dividend class share in EUR at the end of the current month

H22 – value of growth class share in EUR at the end of the current month

H32 – value of dividend class share in CZK at the end of the current month

H42 – value of growth class share in CZK at the end of the current month

3) Calculation of value of an investment share in month in which general meeting decides on distribution of profit from performance of the Subfund:

$$H12 = (H11 * k) - d1$$

$$H22 = H21 * k$$

$$H32 = (H31 * k) - d2$$

$$H42 = H41 * k$$

H12 – value of dividend class share in EUR at the end of the current month

H22 – value of growth class share in EUR at the end of the current month

H32 – value of dividend class share in CZK at the end of the current month

H42 – value of growth class share in CZK at the end of the current month

d1 – amount of paid out gross dividend per 1 share in EUR

d2 – amount of paid out gross dividend per 1 share in CZK

4) Calculation of monthly performance of investment share of the Subfund:

$$n = (H12 / H11) - 1$$

$$n = (H22 / H21) - 1$$

$$n = (H32 / H31) - 1$$

$$n = (H42 / H41) - 1$$

where: n – Subfund's performance in current month as a %

11.6 Book-entry investment shares are issued by crediting them to an investor's relevant asset account. The investment shares are registered in the central securities records maintained by the Central Securities Depository or the follow-up records to the central securities records, within the meaning of Section 92 of Act No. 256/2004 Coll., on Capital Market Business, as amended. In the event that investment shares are recorded on a customer account (account type 31) maintained by a Central Securities Depository member in the Management Company's name that is linked to the Management Company's records on owner accounts (account type 21), the Management Company is entitled to request a charge from an Investor.

11.7 A shareholder may ask the Management Company to credit the investment shares to a different asset account (owner account or customer account) maintained by the Central Securities Depository (Centrální depozitář cenných papírů, a.s., Company Identification No.: 25081489, with its registered office at

Rybná 14, 110 00 Prague 1), or to an asset account (owner account) maintained in the records linked to the central securities records maintained by the Central Securities Depository (Centrální depozitář cenných papírů, a.s., Company Identification No.: 25081489, with its registered office at Rybná 1, 110 00 Prague 1). Costs related to records of investment shares pursuant to this Article are borne by the shareholder.

11.8 A shareholder of the Subfund has the following rights, in particular:

- a) to be informed of the current value of an investment share of the Subfund;
- b) to receive a report on the Subfund's performance by the deadlines set out by the Subfund's statutes;
- c) to receive, at their own request, information about payment by the Subfund to the Management Company;
- d) to receive, at their own request, an up-to-date version of the Subfund's statutes and Subfund's last annual report;
- e) to exercise, in the event the execution of a decision is ordered through the sale of an investment share or in the event of a seizure order to sell an investment share, an option to purchase investment shares of another shareholder under the conditions set out in Section 283 (1) of the Act;
- f) to receive a share in profit in the case of dividend investment shares or a share in the Subfund's liquidation balance, if set out in the Subfund's articles of association;
- g) to require the redemption of the Subfund's investment shares under the conditions set out in the Subfund's Statutes.

11.9 Investment shares of the same class of the Subfund establish the same rights for shareholders. A shareholder has a right to have their investment shares redeemed by the Management Company. Shareholders are not entitled to require the distribution of assets held in the Subfund or the dissolution of the Subfund. Investment shares are transferable with the consent of the Fund's statutory body, which will grant a shareholder its consent to a transfer in writing, following a written request. In the event of the assignment of an ownership right to investment shares of the Subfund, the assignee is obligated, without undue delay, to inform the Management Company of the relevant change to the owner for the purpose of making a change and updating shareholder records, so that the Management Company can assess the suitability of an investment for an investor and arrange all compliance/AML procedures in accordance with the Manager's internal regulations.

11.10 The public offer of investment shares of the Subfund for qualified investors is permitted in the Czech Republic. Only a qualified investor can become an investor, which must expressly be stated in a public offer. Any public offering of investment shares of the Subfund for qualified investors in countries other than the Czech Republic will always be performed in accordance with local legislation or the AIFMD Directive, if it was implemented in a specific country, so the relevant ISIN numbers must be properly notified for cross-border offerings.

12 Description of Procedures for Subscription of Investment Shares of the Subfund

12.1 The Fund issues investment shares for the Subfund for the purpose of gathering financial means in the Subfund. The administrator performs and arranges the issue of investment shares.

12.2 Subscribing investment shares is possible only based on a public call for their subscription. A public call for the subscription of investment shares will be published by the Fund at its website www.redsidefunds.com, where it will always state the deadline for subscribing investment shares and the

conditions for subscribing investment shares. Investment shares are subscribed based on a contract on subscription of investment shares concluded between a person/entity interested in acquiring investment shares (hereinafter the “Investor”) and the Management Company, as the administrator and Manager. The documents governing the contractual conditions of subscription and the issue of investment shares are available at the Fund’s registered office and the registered office of the Fund’s Manager, as well as at the Manager’s website in the Fund and Subfund sections.

- 12.3 In order to maintain the Fund’s stability and trustworthiness, through the Manager the Fund is entitled to decide with which interested parties it will conclude a contract on subscription of investment shares and with which it will not conclude such contract. There is no legal entitlement to the conclusion of a contract on investment shares and the Management Company is not obligated to conclude a contract on subscription of investment shares with the interested party for any reason.
- 12.4 An order to subscribe investment shares may be submitted in person at the Management Company’s registered office, by post or via email to the address info@redsidefunds.com or orders@redsidefunds.com, though an order submitted in electronic form shall be supplemented in writing.
- 12.5 The Fund issues investment shares of the Subfund for an amount corresponding to the current value of an investment share valid for the relevant period (i.e. the calendar month) in which the investor’s financial means are credited to the Subfund’s account or in which the contribution is effectively made. The current value of an investment share is determined and announced for each period in accordance with the balance of assets as of the last day of the relevant period. Announcing the current value is understood to mean its provision to shareholders in the manner stipulated by these Statutes. In return for a monetary amount credited to the Subfund’s account, a shareholder subscribes the closest, lower whole number of investment shares of the Subfund calculated as a whole-number part of the amount received and the current value of an investment share of the Subfund (increased by any additional payment) valid as of the decisive day and rounded up down whole numbers. The difference (remainder of the amount received) for which it is not possible to subscribe a whole number of investment shares of the Subfund is income for the Subfund. In the case of a non-monetary contribution, the number of investment shares issued for the Subfund that the Fund issues to an investor corresponds to the value of the non-monetary contribution, as set by an expert chosen for this purpose by the statutory body, divided by the current value of an investment share issued for the Subfund (increased by any additional payment) valid for the day on which the subject of contribution was effectively made, rounded down to whole numbers.
- 12.6 The Fund will issue investment shares to an investor within twenty (20) business days of the date of announcement of the relevant current value of an investment share (NAV) of the Subfund for the relevant calendar month. This period can be extended, if there are technical problems on the part of the Subfund or the institution issuing securities. The period for the issue of investment shares also assumes the timely and correct delivery of all contractual documentation to the company’s registered office. An investor or its commercial representative is informed of the issue of investment shares of the Subfund in writing through a notification sent to the address stated in the contract on subscription of securities or to an electronic address that was stated for this purpose in the contract on subscription of securities, where in a notification the Management Company informs the investor of the number of securities of the Subfund issued and the current value for which they were issued, by e-mail or through the client section available at www.redsidefunds.com. On the day investment shares are issued, an investor becomes a shareholder of the Subfund.
- 12.7 A client becomes a shareholder of the Subfund at the time of entry into the records maintained in accordance with Article 11.2. or 11.6. The Management Company issues investment shares for an amount

corresponding to their actual value. An order to subscribe investment shares may be filled at any time during a given month, but the decisive day for determining the value of an investment share at which an investor enters the fund is the day of the receipt of the funds into the Subfund's cash account.

- 12.8 The value of the minimum initial investment by a qualified investor in accordance with Section 272(1)(a) to (g) of the Act is not set in accordance with the requirements of the Act.

The value of the minimum initial investment by a qualified investor in accordance with Section 272(1)(h) and (i) of the Act in funds managed by one manager is EUR 125,000 (one hundred and twenty-five thousand Euros) under the conditions stipulated by the Act related to compliance processes or CZK 1,000,000 (in the case of an investment in EUR then EUR 40,000), provided that the Management Company confirms in writing that, based on information obtained from the Investor, it has reason to believe that their investment corresponds to their financial standing, investment aims and expert knowledge and experience in the field of investment.

In the event an investor invests in multiple investment funds administered by the Management Company or realises other investments in the Subfund, the minimum amount is CZK 250,000 (two hundred and fifty thousand Czech koruna) or EUR 10,000 (ten thousand Euros), where the sum of all investments by the investor must be at least CZK 1,000,000 in the investment funds administered by the Management Company. In the event an investor invests in multiple funds managed by the Management Company, due to the influence of its own orders its investment in the Subfund cannot fall under the limit for a minimum investment totalling CZK 250,000 (two hundred and fifty thousand Czech koruna) or EUR 10,000, the equivalent of this amount in EUR.

The highest amount of registered capital for the purpose of suspending the issue of investment shares is set at a value corresponding to the amount of EUR 100,000,000,000.

- 12.9 Information about the current value of an investment share of the Subfund is provided by the Management Company to all shareholders, in electronic form by email to the email address sent by a shareholder to the Management Company, in the client section of the Management Company's website or in the public part of the Management Company's website.
- 12.10 Rights from holding an investment share arise on the day it is issued. An ownership right to investment shares is proved by an extract from the records of investment shares through the Central Securities Depository or its members or by an extract from the Management Company's records.

13 Redemption of Investment Shares

- 13.1 An investment share is linked to a right to its redemption at the owner's request on the Subfund's account. Investment shares cease to exist upon redemption. Sections 131 to 140 of the Act apply to the redemption of investment shares.
- 13.2 The Management Company redeems investment shares using the assets of the Subfund for which the investment shares were issued, for a price corresponding to the current value of an investment share set for the period (i.e. calendar month) in which the request for redemption of investment shares was delivered to the Management Company. For each relevant calendar month in the following month the current value of an investment share will be determined and subsequently announced in accordance with the balance of assets as of the last day of the relevant calendar month. Announcing the current value is understood to mean its provision to shareholders in the manner stipulated by these Statutes. The payment of financial means corresponding to the value of redeemed investment shares is performed by cashless transfer to a shareholder's account. On the day investment shares are deducted from a

shareholder's asset account, the redeemed investment shares will cease to exist, where the investment shares acquired by the shareholder first will be redeemed. Financial means will be regarded as being credited to a shareholders' account on the first business day after the day on which they were deducted from the Subfund's account.

- 13.3 Investment shares are redeemed based on a request for redemption of investment shares that a shareholder submits to the Management Company. The Management Company is obligated to redeem investment shares of the Subfund from shareholders within:
- a) Four months of the last calendar day of the month in which the Management Company received requests for redemption of investment shares, if the relevant shareholder requests to have redeemed investment shares with a current value corresponding to no more than CZK 10,000,000 (ten million Czech koruna) or the equivalent in EUR;
 - b) Six months of the last calendar day of the month in which the Management Company received requests for redemption of investment shares, if the relevant shareholder requests to have redeemed investment shares with a current value corresponding to more than CZK 10,000,000 (ten million Czech koruna), but no more than CZK 30,000,000 (thirty million Czech koruna) or the equivalent in EUR;
 - c) Twelve months of the last calendar day of the month in which the Management Company received requests for redemption of investment shares, if the relevant shareholder requests to have redeemed investment shares with a current value corresponding to more than CZK 30,000,000 (thirty million Czech koruna) or the equivalent in EUR;

where it will use financial means from the Subfund's assets to redeem investment shares.

- 13.4 To exclude any doubts, it is expressly stated that in the event the Fund/Management Company receives multiple individual requests for redemption of investment shares from the same shareholder in one calendar month, such individual requests will, for the purposes of determining the maximum period for redemption by the Fund in accordance with the above paragraph, be added together and the Fund/Management Company will therefore view such individual requests submitted in one month for the purposes of assessment of the redemption period as one request for the sum of the investment shares (and in their current value) in all such individual requests for redemption, regardless of whether a shareholder holds investment shares of the Subfund on one or more asset accounts, if the shareholder has the same identification details.
- 13.5 A request for redemption of investment shares can be submitted at any time in person at the Management Company's registered office, delivered by post, sent by e-mail to the address orders@redsidefunds.com or info@redsidefunds.com or by fax to +420 224 931 368. A request for redemption submitted in electronic form has to be supplemented in writing.
- 13.6 The minimum value of an individual redemption of investment shares is CZK 250,000 or EUR 10,000 (ten thousand Euros) or the equivalent in another currency. The value of the investment in all investment funds managed by the Management Company held by a qualified investor in accordance with Section 272 of the Act, however, cannot, following the redemption of investment shares, fall under the limit for the minimum investment corresponding to EUR 125,000 (one hundred and twenty-five thousand Euros) or CZK 1,000,000 or EUR 40,000 in the event that it is an investor in accordance with Section 272(1)(i)(2) of the Act, unless all shareholder's investment shares are redeemed, with the exception of a case where a third party becomes a shareholder in the Fund as a consequence of the assignment of an ownership right to investment shares of the Subfund. In the event an investor invests in multiple funds managed by the Management Company, its investment in the Subfund cannot fall under the limit for a minimum

investment totalling CZK 250,000 (two hundred and fifty thousand Czech koruna) or EUR 10,000. Investment shares cease to exist upon redemption. The Fund will reduce the number of investment shares issued on its equity—capital funds account as of the day they are deleted from the Central Securities Depository’s records.

- 13.7 In the event of a partial redemption, a shareholder shall specify whether it requests the redemption of an exact number of redeemed investment shares of the Subfund or the redemption of an exact amount, where, in the event the requested amount does not correspond to the total number of investment shares of the Subfund, the Management Company shall redeem the nearest higher whole number of investment shares of the Subfund, where the difference between the amount of money selected by the shareholder and the money obtained by redemption of the investment shares is income for the Subfund.
- 13.8 In the event the Fund/Management Company receives multiple individual requests for redemption of investment shares of the Subfund from the same shareholder in a period of four consecutive calendar months (counted from the month in which the Fund/Management Company received the first request for redemption from the relevant shareholder (inclusive)), provided that the sum of the current values of such individually submitted requests (set for each individual request separately in accordance with the above rules, i.e. for the calendar month in which a request was delivered for the redemption of investment shares to the Subfund/Management Company) exceeds the amount of CZK 10,000,000 or equivalent in EUR (hereinafter the “**Monitored Period**”), the current values of the investment shares in accordance with the individual requests for redemption are added together by the Fund for the purposes of determining the period for redemption in accordance with the rules of these Statutes. The Fund/Management Company will view such individual requests submitted in the Monitored Period as a single request for the purposes of assessing the redemption period in the amount of the investment shares (and in their current value) in all such individual requests for redemption, regardless of whether a shareholder holds investment shares of the Subfund on one or more asset accounts if such shareholder has the same identification data. The maximum period for the redemption of investment shares by the Fund in all such individually submitted requests for redemption in the Monitored Period will, in such case, be calculated from the last individual request for redemption of investment shares of the Subfund delivered in the Monitored Period. In the event that, according to the above procedure, there is a situation where the period for redemption of investment shares by the Fund is to exceed a period of 12 months from the last calendar day of the month in which the Subfund/Management Company received one of the individual requests for redemption of investment shares, a period of 12 months will apply to each such individually submitted request in the Monitored Period, i.e. the Fund will redeem investment shares within 12 months of the last calendar day of the month in which the Subfund/Management Company received each of the requests for redemption of investment shares separately.
- 13.9 The Management Company is entitled to suspend the issue and redemption of investment shares of the Subfund in accordance with the law for a period of no more than six (6) months, if it is necessary to protect rights or interests protected by the law of shareholders owning such investment shares, for example in the event of a sharp movement in assets comprising a material part of the Subfund’s assets or for other reasons stipulated by the law. A member of the administrative board decides on the suspension of the issue and redemption of investment shares of the Subfund. A member of the administrative board is obligated to draft his decision in writing and in the decision state the date and precise time of the decision on suspension, the reasons for suspension and the period for which the issue or redemption of investment shares is suspended.
- 13.10 A prohibition against issue or redemption of investment shares applies also to investment shares whose issue or redemption was requested by a shareholder:

- a) before the suspension of issue or redemption of investment shares, if investment shares have not yet been issued or consideration has not been paid for redemption; and/or
- b) during the period for which the issue or redemption of investment shares was suspended.

13.11 The reasons for the suspension of the issue or redemption of investment shares of the Subfund include, in particular:

- a) insufficient liquidity of the Subfund;
- b) significant fluctuations in the value of assets held by the Subfund;
- c) protection of a common interest of the Subfund's shareholders;
- d) the termination of the depository agreement;
- e) the termination of a contract on performance of office with a member of the administrative board;
- f) technical reasons preventing the settlement of investment shares on the part of the Management Company, Central Securities Depository or Central Securities Depository members.

The day the issue and redemption of investment shares is renewed is:

- a) the day following the day on which the period for which the issue or redemption of investment shares was suspended;
- b) the day a decision of the CNB came into legal effect cancelling a decision on suspension of the issue or redemption of investment shares of the Subfund;
- c) another day stipulated by the relevant legal regulations.

14 Information on Fees, Costs and Total Expenses

14.1 The Management Company's fee for management of the Subfund's assets is paid from the assets of the **Subfund at 1.6% p.a.** from the value of the Subfund's equity capital as of the last day of a calendar month. The value of equity capital for the calculation of the fee shall be understood to mean the value of equity before subtracting the Management Company's fee and the financial provision for corporate income tax. The specific amount of the Management Company's fee for management of the Subfund's assets is available at the Management Company's registered office. The specific amount of the annual fee, as well as minimum monthly fees as a part of the above limit, is set by these statutes and in the contract on performance of office of member of the administrative board. A contract on performance of office must be in writing and it must always be approved by the general meeting. The Management Company is also entitled to a performance fee paid from the Subfund's assets depending on the Subfund's performance over the set benchmark, being the Subfund's annual audited performance, considering the revaluation of the assets to their fair value by an independent evaluation.

The performance fee is calculated every year as 30% of the value by which the appreciation of investment shares exceeds 6% of the Subfund's annual audited performance taking into account the revaluation of the assets to their fair value by an independent evaluation, where such performance fee is calculated in accordance with the High Water Mark principle.

The Subfund's total expenses for a calendar year shall not exceed 1.95% of the average annual value of the equity capital, before offsetting any costs associated with the payment of the performance fee.

14.2 The Depository's fee, its amount, method of calculation and due date are specified in the depository agreement, which is available at the Management Company's registered office.

14.3 Other costs for the management of assets in the Subfund paid from the Subfund’s assets are, in particular:

- a) costs arising from interests in business corporations (in particular, related due diligence, legal services, audit etc.);
- b) costs of outside capital;
- c) fees to the Depositary for maintaining accounts and management of financial means;
- d) fees for custody of certificated securities in the Subfund’s assets;
- e) fees for custody and management of foreign securities;
- f) costs of liquidation of the Subfund;
- g) interest on loans and credits accepted in connection with the management of assets in the Fund;
- h) costs of accounting and tax audit;
- i) notary, court and administrative charges, taxes;
- j) costs of expert opinions, evaluations;
- k) costs related to the Subfund’s promotion.

14.4 The Management Company can charge fees to investors—shareholders of the Subfund. The entry fee (surcharge) totals a maximum of 3% of the invested amount. The amount of the exit fee (deduction) is up to 5% of the redeemed amount in the two years after the date an Investor invests in the Subfund, 3% of the redeemed amount in the third year after the date an Investor invests in the Subfund, 2% of the redeemed amount in the fourth year after the date an Investor invests in the Subfund and 1% of the redeemed amount in the fifth year after the date an Investor invests in the Subfund. After the expiry of the five-year period after the date an Investor invests in the Subfund, the exit fee shall not apply. The Subfund’s fund manager decides on the amount of a deduction charged during the redemption of investment shares.

14.5 Table showing Information about fees charged to investors and costs paid from Subfund’s assets:

One-off fees charged before or after an investment: (This is the highest amount that may be charged to an investor before an investment is made or before an investment is paid out, always being calculated from the volume of the invested/redeemed amount).)	
Entry fee (surcharge)	max. 3%
Exit fee (deduction) – Investor investing in the Subfund by 30 April 2020 (inclusive)	
max. 5%, in the event a shareholder requests the redemption of investment shares before the expiry of the period of 24 months after the day the Investor invests in the Subfund. In the event a shareholder asks	

for the redemption of investment shares more than 24 months after the day the Investor invested in the Subfund, the deduction is not applied.

Exit fee (deduction) investor investing in the Subfund from 1 May 2020

max. 5%, see Section 14.4 of the Statutes for more details

Costs paid from Subfund’s assets during year:

Maximum expenses

(before the set-off of any costs related to the payment of a performance fee)

1,95 %

Costs paid from Fund’s assets under special conditions:

Performance fee

30% of the Value in excess of 6% of the Subfund’s annual performance calculated in the growth class of the Subfund’s investment shares with the application of the High Water Mark, where

Value means the sum of the Subfund’s NAV and the paid out gross dividends

The Subfund’s NAV means the value of the Subfund’s equity as of 31 December of the relevant year after an audit and revaluation adjusted by items not having an influence on a change in the Subfund’s performance

The Subfund’s annual performance means the percentage difference in appreciation of an investment share of the Subfund’s growth class as of 1 January and 31 December of the relevant year

The calculation of the performance fee is also based on the **High Water Mark (HWM) principle**, so for the calculation of the performance fee the highest value reached by growth investment shares as of 31 December in the Subfund’s history will be used as the comparison base for the relevant year.

So that the performance fee is applied, the value of a growth investment share as of 31 December of the relevant year has to exceed the previous highest audited value of a growth investment share as of 31 December by at least 6%.

To exclude any doubts, the following two conditions have to be met for the application of a performance fee:

- i. The audited performance of a growth investment share was at least 6% in the relevant year;
- ii. The growth in the relevant year exceeded the HWM, i.e. the highest previously achieved NAV for a growth investment share in the Subfund’s history by at least 6%.

14.6 The Subfund’s total expenses for the previous fiscal year in percentage terms is equal to the ratio of total costs to the average monthly value of equity (including the costs specified below), the total cost being the sum of the costs of fees and commissions, administrative costs and other operating expenses in the Subfund’s statement of costs, income and profit or losses under a special legal regulation, net of fees and commissions for transactions in investment instruments under such special legal regulation.

15 Information about Depositary

15.1 Information about the Depositary:

15.2 **UniCredit Bank Czech Republic and Slovakia, a.s.**, Company Identification No.: 649 48 242, with its registered office at Želetavská 1525/1, Michle, 140 92 Prague 4, entered in the Commercial Register maintained by the Municipal Court in Prague, section B, file No. 3608.

15.3 Basic characteristics of Depositary's activities:

The Depositary is entitled, in particular:

- i. to have the Subfund's assets in its care, if their nature so permits;
- ii. to open and maintain monetary accounts and record movements of all financial means that are part of the Subfund's assets; and
- iii. to record, if permitted by their nature, or check the balance of the Subfund's assets other than the assets stated in subpara. a) and b).

15.4 The provisions of the depositary agreement do not enable the transfer or further use of the Subfund's assets by the Depositary.

15.5 None of the Depositary's activities is entrusted to another person/entity, even partially.

16 Information about Authorisation to Manage Assets or Activities Given to Another Person/Entity

16.1 Authorisation to manage the Subfund's assets given to another person/entity

Management of the Subfund's assets is performed only by the Management Company and is not entrusted, even in part, to another person/entity.

16.2 Authorisation to perform activities that are usually part of the management of the Subfund's assets to another person/entity.

Performance of activities that are usually part of the management of the Subfund's assets is handled only by the Management Company and is not entrusted, even in part, to another person/entity.

17 Other Information

17.1 Information about Fund's and Subfund's Statutes:

- a) The information stated in the Fund's and Subfund's Statutes must be updated from time to time.
- b) The Fund's and Subfund's Statutes and amendments to the Fund's and Subfund's Statutes are approved by the Fund's administrative board.
- c) An amendment to the Statutes is not a subject to the CNB's prior approval.
- d) Every potential shareholder of the Subfund must be provided with the Statutes, as amended, and the Subfund's last annual report, free of charge and upon request.
- e) Every potential shareholder may obtain the documents specified in Article 17.1(d) of these Statutes during the subscription period in paper form at the Management Company's registered office, i.e. at Prague 1, Nové Město, V Celnici 1031/4, post code: 110 00.

17.2 Supplementary information about the Subfund:

- a) The Subfund is established for an indefinite duration.

- b) The Subfund may be dissolved by deletion from the list of investment funds pursuant to Section 597 of the Act, by a merger or amalgamation of the Subfund with another unit trust or by dissolution of the Management Company with liquidation, unless the CNB decides on the transfer of its management to another Management Company.
- c) In the event the Fund is dissolved under subapara. b), a shareholder is entitled to redeem investment shares without a deduction (during a merger or amalgamation) or to a share in the liquidation balance (withdrawal of licence). In the event the Subfund is dissolved with liquidation, shares in the liquidation balance can be provided to shareholders in the dissolved Subfund also in parts.
- d) The procedure when the Subfund is dissolved as well as the rights of shareholders of the Subfund when the Subfund is dissolved are governed by generally binding legal regulations, in particular the Act.
- e) Additional information can be obtained, as needed, at the Management Company's registered office at the address: Prague 1, Nové Město, V Celnici 1031/4, 110 00, on business days from 09:00 to 16:00, contact persons Ing. Karel Krhovský and Ing. Martin Dratva.

17.3 Basic information about the tax system that applies to the Fund:

- a) The Subfund and its shareholders are subject to tax regulations of the Czech Republic, in particular to Act No. 586/1992 Coll., on income taxes, as amended. The Fund is a collective investments entity meeting the definition of an investment fund, the profits of which are currently subject to income tax at 5%.
- b) The regime for taxing income or profit of individual investors/shareholders is dependent on valid tax regulations, which may not be identical for each of the investors/shareholders. If an investor/shareholder is not certain regarding taxation, it is recommended that the services of a tax advisor are sought.
- c) If income results from the sale of investment shares of the Subfund to a tax non-resident of the Czech Republic, in the cases stipulated by a generally binding legal regulation the Czech buyer is obligated to deduct from the purchase price an income tax withholding in accordance with the amount of valid legal regulations.
- d) Shares in the Subfund's profit are subject to 15% withholding tax at the general level. The withholding tax rate can be limited by an international double taxation agreement that is binding on the Czech Republic. Before the payment of a share in profit the Fund can request a statement of tax domicile of the beneficiary—foreign shareholder of the Subfund.
- e) The regime for taxation of individual investors' income or profits depends on the valid tax regulations, which may not be the same for every investor, so in the event an investor is not certain regarding the taxation regime that concerns them, they should seek professional advice.

17.4 The Manager does not perform a specific assessment of the probable impacts of risks concerning sustainability on the return on investment shares over the framework of standard internal processes in the fields of investment process and risk management.

17.5 The Subfund's supervisory body is the Czech National Bank, with its registered office at Na Příkopě 28, 115 03 Prague 1, phone number: 800 160 170, e-mail address: podatelna@cnb.cz, internet address: www.cnb.cz (used in the text of these Statutes also as the "CNB").

17.6 The Management Company warns investors that the Subfund's supervision by the CNB is not a guarantee of a return on the investment or the Subfund's performance, the possibility that legal obligations or the

Statutes may be breached by the Management Company, the Depositary or another party cannot be ruled out and it does not guarantee that potential damage resulting from such breach will be compensated for.

- 17.7 The Fund’s articles of association are published in the collection of documents maintained by the Fund’s court of registration, under file reference B 24997 maintained by the Municipal Court in Prague.

18 Publication of Reports on Subfund’s Management

- 18.1 The Management Company is obliged to send the Subfund’s annual report to the CNB, within 4 months of the end of the fiscal year at the latest. The Management Company is obliged to send the CNB information in accordance with Decree No. 267/2020 Coll., on reporting information by the manager and administrator of an investment fund and foreign investment fund to the Czech National Bank.
- 18.2 A shareholder of the Subfund is responsible for the correctness of contact details provided for subsequent communication.
- 18.3 Every Investor can obtain documents concerning the Subfund that the Management Company is obligated to publish either in paper form at the administrator’s registered office, i.e. at the address: Prague 1 - Nové Město, V Celnici 1031/4, post code: 110 00, or in electronic form in “PDF” format at the website www.redsidefunds.com or through “client access”, i.e. after the input of a user name and password.
- 18.4 Reports on the Subfund’s management are provided to investors/shareholders at the Manager’s website, i.e. at the website www.redsidefunds.com.
- 18.5 Additional information can, in the event of need, be obtained at the administrator’s registered office at V Celnici, Nové Město, 110 00 Prague 1, on business days from 10:00 to 16:00, the contact person is the Front Office Manager, or by calling 222 500 757, or electronically at the website www.redsidefunds.com or by putting a question to the e-mail address info@redsidefunds.com.
- 18.6 Entry in the list maintained by the CNB and supervision are not a guarantee of a return on investment or performance and cannot rule out the possibility of a breach of legal obligations or the Statutes by Subfund, Fund, Manager, administrator, Depositary or another party and do not guarantee that potential damage caused by such breach will be compensated for.

Prague, 15 June 2021

Effective as of 15 June 2021

for **REDSIDE investiční společnost, a.s.**



Rudolf Vřešťál
Chairman of the Board of Directors



Ing. Karel Krhovský
Member of the Board of Directors