

Open Call for Expression of Interest to select Financial Intermediary within the Baltic Capital Markets Acceleration Fund implemented by ALTUM and INVEGA and co-financed by the Republic of Latvia and the Republic of Lithuania

The objective of this Open Call for Expression of Interest ("**Open Call**"), launched jointly by "Attīstības finanšu institūcija Altum" AS ("**ALTUM**") and „Investiciju ir verslo garantijos" UAB ("**INVEGA**") (together may also be determined as "**Parties**"), is to select financial intermediary ("**Financial Intermediary**") for establishment and management of the Baltic Capital Markets Accelerator Fund ("**BCMAF**").

All applications by Financial Intermediaries under this selection process ("**Application**" or "**Expression of Interest**") must be submitted to the e-mail addresses provided by INVEGA and ALTUM and comply with this Open Call.

In this Open Call, capitalised terms and expressions shall have the meaning attributed to them in this document and as defined in relevant annexes thereto, as appropriate.

In addition to this explanatory document, the Open Call contains the following documents:

Annex I: Guidelines for Investment Strategy.

Annex II: Eligibility requirements and Selection Criteria.

Annex III: Guidelines on Information to be Submitted by the Applicants.

Annex IV: Applicant Confirmation and Declarations (Part A and Part B).

Annex V: Term Sheet.

Annex VI: Project Description.

Annex VII: Personal Data Processing.

1. General purpose of the BCMAF

The BCMAF is aimed at supporting access to finance for small and medium-sized enterprises ("**SMEs**") and Small or Innovative mid-caps in the Baltic States (as defined in Communication from the Commission Guidelines on State Aid to promote risk finance investments (2021/C 508/01) and the development of the Baltic capital markets in line with the European Union Capital Market Union ("**CMU**") objectives.

The Baltic economies have a large SME sector. Yet due to underdeveloped local capital markets access to non-credit institution finance to the SME sector is insufficient. Financing using capital markets e.g. equity financing through initial public offerings ("**IPOs**") or private debt issues through initial bond offerings ("**IBOs**") is either seen as being too complex and costly or simply is not considered by the SMEs.

BCMAF aims to alleviate some capital access problems to local enterprises by providing financing to pre-IPO SMEs and Small or Innovative mid-cap companies subject to conditions listed below. BCMAF strategy encompasses expanding growth capital to unlisted SMEs and Small or Innovative mid-cap companies, investing in private placements and/or pre-IPO transactions, organising IPOs by Baltic SMEs and Small or Innovative mid-caps. The Fund will also invest in **IBOs**.

ALTUM's investment into BCMAF will be EUR 20 million, and INVEGA's investment will be EUR 18.78 million. Financial Intermediary will have to attract an investment of at least EUR 10 million from Independent Private Investors or International Financial Institutions.

During implementation of the BCMAF the Parties may, with appropriate approvals, further determine to increase or decrease the contribution allocated to the BCMAF and/or

reallocate any available amounts to maximise the absorption of funding available for the BCMAF investees.

2. The Application Procedure

The Open Call for the Expression of Interest will be announced officially on the websites of ALTUM (<https://www.altum.lv/en/services/enterprises/venture-capital-and-private-equity?tab=3>) and INVEGA (<https://invega.lt/naujienos/47/kvieciame-tapti-finansines-priemones-baltijos-kapitalo-rinkos-akceleravimo-fondo-valdytoju:1755>), remain open until 23:59 hours on 30 August 2024 ("**Deadline**") to allow submission of Expression of Interest documents on or before the aforesaid Deadline. Any change in the Deadline will be officially announced no later than 5 working days before the previous Deadline on the webpages listed above.

The Expression of Interest documents shall be sent before the Deadline to: equity@invega.lt or ipo@altum.lv and shall contain reference "BCMAF 2024 Investment Manager Selection Process".

The Expression of Interest shall:

- (a) include identification of the Applicant,
- (b) be prepared in English,
- (c) contain Annex IV duly signed,
- (d) contain all relevant documents (in English) necessary for the assessment of the Applicant in line with this Open Call and Annexes II, III, VI.

The acknowledgement of receipt will be sent to the relevant Applicant via e-mail as confirmation of receipt of the Expression of Interest but shall not be construed as declaration of completeness or eligibility of the Expression of Interest and additionally submitted documents, nor as assessment or acceptance.

No later than the Deadline, an Applicant may amend, restate, or supplement its Expression of Interest following the same procedure set out above. The Applicant may withdraw its Expression of Interest at any time by sending a duly signed notice to the email above. Expressions of Interest and materials submitted by Applicants in connection therewith will not be returned to Applicants, including in the event of a withdrawal by an Applicant from the Open Call.

To assure that all applications are reviewed no sooner than the submission Deadline, the Expression of Interest shall be sent in a coded format. The password, which is required to view the information that had already been submitted, will be provided by the Applicants by separate email and only after the submission Deadline is reached. The password should be sent via same email that was used to submit the Expression of Interest.

No later than by 23:59 hours on 9 August 2024 the Applicants may submit requests for clarification with regards to this Open Call procedure, by sending relevant request in English via email addresses officially provided by INVEGA (equity@invega.lt) or ALTUM (ipo@altum.lv). Replies will be published on the web pages of ALTUM and INVEGA by 23 August 2024. However, should any errors, inaccuracies, omissions, or any other type of clerical defect in the text of the Open Call be discovered by ALTUM and/or INVEGA before 28 June 2024, the text will be corrected accordingly. Applicants will not be separately notified of a specific date when any such clarification is published.

Any personal data received from the Applicants will be processed in accordance with the procedure prescribed in Annex VII to this Open Call.

3. Selection process

The Applicants will be selected in due consideration of the general principles of transparency, equal treatment, and non-discrimination, as well as observing the requirements of confidentiality and impartiality, in compliance with terms of this Open Call and relevant Annexes and in conformity with good business and market practices.

A selection committee formed from the representatives of each Party ("**Selection Committee**") shall assess and evaluate on a comparative basis all applications using professional judgement, considering terms set out in the relevant Guidelines for Investment Strategy (Annex I) and based on the Eligibility requirements and Selection Criteria detailed respectively in Annex II. Each Party may attract experienced international expert as an independent adviser. It may be decided to request additional information from an Applicant and in such case the request will be sent to the email from which the Expression of Interest was received.

The requested clarifications from an Applicant may be on issues of a technical, formal, or clarifying nature, provided that such clarifications shall neither provide an opportunity to the respective Applicant to unduly improve its application nor otherwise distort the competition among the Applicants.

For the purpose of selection of the Financial Intermediary the Selection Committee will have the right to request and/or receive information on the Applicants from third parties.

N.B. The Selection Committee retains the full right and will exercise that right to thoroughly check any information submitted by the Applicant, Key Executives (or the remaining team members, should it be necessary) following the procedures described in Annex IV and Annex VII therein.

If the Selection Committee finds that there are grounds to declare that any of the listed exclusion events included in **Annex IV** (part A, points 1 through 8) of this Open Call apply to the Applicant (or any of its Key Executives), or that the Applicant has not paid due regard to integrity requirements, then it will immediately request the Applicant to remedy the situation or, at the discretion of the Selection Committee, may cease further evaluation of the respective Expression of Interest.

The selection process shall be construed of following steps:

(i) Pre-selection

Following the receipt of the Expression of Interest and after obtaining any additional information, documents, or clarification from the Applicant (if any), Expression of Interest will be assessed based on the Eligibility requirements.

(ii) Selection

The Applicants that have successfully passed the pre-selection will be assessed against the Selection Criteria. At this stage, the Applicants who/which have been top rated among others based on the Selection Criteria, will be invited for an interview with the Selection Committee. In such case the Applicants will receive via email an invitation to interviews.

After conducting the interviews (if any), the Selection Committee will decide whether to select the Applicant, put the Applicant on a reserve list or reject the Applicant.

(iii) Due diligence

The Applicant that has been selected or, if necessary, the Applicants that were put on reserve list, will be subject to due diligence process. In this process the Selection Committee will seek to verify the veracity of the declarations made by the Applicants, perform checks on, *inter alia*, capacity and integrity requirements and other elements that the Selection Committee considers to be necessary for prudent and sound judgment.

The Selection Committee may decide, if necessary, to return to the Pre-selection process and request additional information, documents, or clarification from the Applicant.

(iv) Negotiation and signature

Applicants' selection will be subject to the completion of successful commercial and legal negotiations, considering Term Sheet added to this Open Call as Annex V.

In any phase of the selection process until and prior to entering into a legally binding agreement with an Applicant, the Selection Committee reserves full discretion to consider or not the Applicant, and no Applicant has any claim or other right or may expect to be ultimately selected as the Financial Intermediary. Any negotiation of terms and conditions of the BCMAF agreements by no means entails any obligation for ALTUM and INVEGA to enter into such an agreement with the relevant Financial Intermediary.

Following a successful negotiation process, the appropriate agreement shall be signed with the Financial Intermediary. The terms of the BCMAF agreements shall be in English.

Should the parties fail to agree on the final terms during the negotiation process, the Applicant will receive rejection via email.

In such case the Applicants that were put on the reserve list will receive via email an invitation to engage first in due diligence process followed by negotiation between the Applicant and the Parties.

4. Final Provisions

This Open Call is not an initiation of a public procurement procedure as regulated by acts implementing Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC nor any other similar legal norms applicable to public sector entities.

Parties (including any employees, representatives, members of the board, advisers, or contractors of ALTUM or INVEGA who contributed to the preparation of this document) make no representation, warranty or undertaking of any kind in relation to the accuracy or completeness of any information ("**Information**") provided in, or in connection with, this Open Call.

ALTUM or INVEGA will not be liable or responsible to any person in relation to any inaccuracy, error, omission, or misleading statement contained in the Information. ALTUM or INVEGA will not be liable or responsible to any person in relation to any failure to inform of inaccuracy, error, omission, or misleading statement contained in such Information of which it becomes aware after the date of release of that Information. ALTUM or INVEGA shall not be liable to any person for any damages, losses, costs, liabilities, or expenses of any kind which it may suffer as a consequence of relying upon such Information.

Any person considering on a decision to enter into contractual relationships with ALTUM or INVEGA and/or any other person on the basis of the information provided to (or otherwise received by) the Applicants (whether prior to this Open Call or at any point during the Financial Intermediary selection process), should make their own investigations and form their own opinions, if any. In particular, the distribution or receipt of this Open Call shall not constitute, or be construed as giving of investment advice, or a recommendation by ALTUM or INVEGA of any kind.

Only the express terms of any written contract (as and when it is executed) shall have binding or otherwise legally relevant effect.

All Applicants are solely responsible for their costs and expenses incurred in connection with the Financial Intermediary selection process including the preparation and submission of applications and participation in all future stages of this process. Under no circumstances will ALTUM or INVEGA be liable for any costs or expenses borne by the Applicants or any of their supply chain, partners, or advisors in this process.

For the purposes of the selection process, all advisors of ALTUM or INVEGA are acting exclusively as the advisors to ALTUM or INVEGA and will not be responsible or owe any duty of care to anyone other than ALTUM or INVEGA in respect of the selection process.

At their own discretion and after consultation with the other Party, each Party reserves the right to end the Open Call procedure at any time.

The Selection Committee or ALTUM and INVEGA reserve the right to disqualify (without prejudice to any other civil remedies available to ALTUM or INVEGA and without prejudice to any criminal liability which such conduct by an Applicant may attract) any Applicant or team member who, in connection with this document:

- (a) Offers any inducement, fee or reward to any representative, employee, or officer of ALTUM or INVEGA.
- (b) Contacts any representative, employee, or officer of ALTUM or INVEGA about any aspect of this document in a manner not permitted by this document.
- (c) Fixes or adjusts the amount of the Expression of Interest by or in accordance with any agreement or arrangement with any other Applicant.
- (d) Enters into any agreement or arrangement with any other Applicant or potential applicant or consortium member of any other Applicant or potential applicant to the effect that it shall refrain from making a submission or as to the amount of any submission.
- (e) Causes or induces any person to enter such agreement as is mentioned above or to inform the Applicant of the amount or approximate amount of any rival submission.
- (f) Canvasses any person in connection with this document who is not one of its own team.
- (g) Offers or agrees to pay or give or does pay or give any sum of money, an inducement or valuable consideration directly or indirectly to any person for doing or having done or causing or having caused to be done in relation to any other submission or proposed submission.
- (h) Communicates to any person other than ALTUM or INVEGA the amount or approximate amount of his proposed submission (except where such disclosure is made in confidence in order to obtain quotations necessary for the preparation of a submission).

The Selection Committee reserves the right to reject any Applicant:

- (a) that has committed a material misrepresentation,
- (b) who contravenes any of the terms of this document,
- (c) undergoing a change in identity, control, financial standing, or other factor impacting on the selection and/or the evaluation process affecting the Applicant.

The Selection Committee reserves the right to seek additional detail from an Applicant, to clarify any part of the Applicant's application, or to request additional evidence or declarations.

The Selection Committee informs the Applicants that it will seek verification of the particulars included in the Application. To this end the Selection Committee may contact, for example, former or current employers or investors.

ANNEX I

Guidelines for Investment Strategy

<p><i>Investment Target Companies</i></p>	<p>The BCMAF must provide financing for pre-listing and listing stage SMEs and Small or Innovative mid-cap companies operating in the Baltic market through investments in newly issued share capital or IBOs. The BCMAF targets already established and commercially viable companies with enterprise values between EUR 5-100 million, which are expected to form the bulk of the expected equity raisings during coming years.</p>
<p><i>Engagement of the BCMAF</i></p>	<p>The BCMAF will participate in initial public offerings related to both the main (regulated) market and the multilateral trading facility (MTF) alternative market, such as the entities operating venues under the name of Nasdaq Baltic stock exchange (but not excluding other possible multilateral trading facilities).</p> <p>BCMAF will also invest in privately owned pre-listing stage Baltic companies, with a clear intent to list on the aforementioned markets, in a reasonable period of time (indicatively 12-36 months, and without prejudice to any listing delays caused by unfavourable market conditions).</p> <p>Furthermore, BCMAF will be allowed to invest in IBOs of privately owned companies with a condition that no more than 40% of the total invested amount by BCMAF at the end of the investment period is allocated towards bonds. BCMAF will be prohibited from investing in real estate bonds.</p> <p>The BCMAF must enhance the availability of financing for SMEs and Small or Innovative mid-caps and thereby also contribute to further development of the Baltic capital markets.</p>
<p><i>Operation of the BCMAF</i></p>	<p>The BCMAF acts as a specialized financial intermediary for pre-IPO investments, providing substantial support for IPO raisings and private placements, as well as serving as an "anchor investor." This strategy involves taking a significant allocation of shares or bonds, typically at least 25% (but no more than 50% of newly issued shares or bonds) per investee. This condition applies both at pre-IPO and at IPO/IBO stages.</p> <p>To prevent dilution in cases of high demand during IPOs and listings, BCMAF, as an anchor investor, would require a predetermined minimum share allocation specified in the fundraising documents.</p>
<p><i>Investment Terms</i></p>	<p>Regardless of the total investment amount, no less than 100% of the amount invested by the BCMAF must additionally come from Independent Private Investors. Other investors, such as private investors or International Financial Institutions are expected to participate in the pre-IPO, IPO or IBO (if applicable) as well. The average funding sought to be attracted by companies seeking an investment is estimated circa EUR 1-10 million, with the BCMAF then investing 25-50% of that.</p> <p>To encourage the development of the capital market in Latvia, a</p>

	<p>minimum amount to be allocated towards investment in SMEs and Small or Innovative mid-cap companies based in Latvia ought to be equal to the amount of Latvia's funding to the BCMAF (excluding the amounts of Latvia's funding drawn down for the purpose to finance the BCMAF's management fee and/or expenses).</p> <p>To encourage the development of the capital market in Lithuania, a minimum amount to be allocated towards investment in SMEs and Small or Innovative mid-cap companies based in Lithuania ought to be equal to the amount of Lithuania's funding to the BCMAF (excluding the amounts of Lithuania's funding drawn down for the purpose to finance the BCMAF's management fee and/or expenses).</p> <p>The BCMAF will target to make investments (both in shares or bonds) in 13-18 companies aiming at a decent portfolio diversification.</p> <p>BCMAF is allowed to invest in companies through secondary market opportunities both for bonds or shares as long as the BCMAF initial investment into company was made no later than the time of IPO or IBO. However, it is understood that the Fund will not allocate a meaningful amount of capital towards trading on the secondary market.</p>
<i>Holding period after listing</i>	Typically, several years after listing, with self-imposed post-listing lock-up (reasonably aligned with other investors subject to lock-up) to ensure stock price stability and sending appropriate signals to other investors about the BCMAF's commitment in an investee company's prospects. This is also done to avoid an exit in an undertaking at unfavourable market conditions. No minimum disposal transaction size exists if the conditions for the holding period are met.
<i>Lock-up Period</i>	Refers to a situation when the existing shareholders of an investee at the time of an IPO, are restricted from selling their shares. This is a vital mean to ensure an orderly IPO is taking place and the market is not flooded with an oversupply of shares from the existing shareholders. For BCMAF, the lock-up period will be 360 calendar days from the official IPO date.
	Investing in IBOs is exempt from Lock-up condition.
<i>Participation in the BCMAF</i>	The BCMAF's initial target size is EUR 48.78 million, where Latvia will participate by providing funding in the amount of EUR 20 million, and INVEGA will provide funding in amount of EUR 18.78 million. Financial Intermediary will be required to attract a minimum of additional EUR 10 million from Independent Private Investors or International Financial Institutions to meet a minimum BCMAF's target of approximately EUR 50 million.
	For the avoidance of doubt, it is understood that the BCMAF's size specified herein may exceed EUR 48.78 million in case the Financial Intermediary secures more funding from Independent Private Investors or International Financial Institutions than the specified minimum requirement.
<i>Financial Intermediary</i>	Financial Intermediary approach in both pre and post listing phases – an activist investor, often with a pre-agreed council member seat, actively monitoring minority shareholder rights to both protect the BCMAF's investments and create positive spill-

	<p>over effects to the wider market, making minority investments in Baltic SMEs and Small or Innovative mid-caps a safer and more investable asset class. The Financial Intermediary would also ensure that the investee company undertakes adequate investor relations and corporate access activities both in the build-up to listing and in the post-listing phase.</p>
<p><i>Role of the Financial Intermediary</i></p>	<p>Financial Intermediary's team must include at least one Key Person residing or having a permanent establishment in Latvia with expertise in Latvian capital market transactions, and one Key Person residing or having a permanent establishment in Lithuania with expertise in Lithuanian capital market transactions.</p> <p>BCMAF must be legally registered in Latvia or Lithuania under its legislation according to decision of Financial Intermediary himself. The selected Financial Intermediary shall always act in line with all Applicable Laws, concluded agreements and with degree of professional care. Efficiency, transparency, and diligence is expected from a professional body experienced in implementing such projects as the BCMAF.</p> <p>For these main purposes, the key tasks would be as follows (not an exhaustive list):</p> <ul style="list-style-type: none"> (i) Identify, select in a transparent and objective way without any conflict of interest, and lead the negotiation process and structuring of the investments in financially viable projects which fit within the Investment Strategy. (ii) Ensure reasonable portfolio diversification. (iii) Monitor and control projects to provide the necessary information to ALTUM and INVEGA to comply with the reporting obligations. (iv) Actively manage the funds received from the BCMAF and use accrued interest and other gains in line with the terms of the agreement, entered with ALTUM and INVEGA. (v) Recommend and manage appropriate exit strategies from the investments.

ANNEX II

Eligibility requirements and Selection Criteria

ALTUM and INVEGA shall select one Financial Intermediary to implement the BCMAF in accordance with the procedure described herein.

Eligibility requirements. All applicants (person(s) applying under this Open Call ("**Applicant**")) shall represent that they are not in any of the situations of exclusion (specifically, Annex IV, part A, points 1 through 8) and will provide a signed Applicant Confirmation and Declarations (part A and part B) (**Annex IV**)

Selection Criteria. The selection shall be made based on the Selection Criteria below and subject to conformity to the requirements included in this Open Call.

1. Appropriateness to Implement the BCMAF's Purpose

- (a) Interpretation of the BCMAF's investment strategy. The Applicant should describe the main actions and strategies for:
- (i) deal origination,
 - (ii) portfolio management,
 - (iii) portfolio structure regarding the pre-IPO, IPO and IBO deals,
 - (iv) involvement in the management and stewardship of the investee companies,
 - (v) preparation for an IPO/ IBO(if applicable), and
 - (vi) exit.

This should be elaborated in the Project Description the form for which is included in the Annex VI. Assessment based on quality, credibility, feasibility, and robustness of the description.

- (b) Indicative pipeline of companies that would be suitable for the BCMAF to invest in. Assessment based on the feasibility, credibility, and appropriateness.

2. Overall Team Quality

- (a) Team profile. Evaluation of the team profile, stability, balance of skills and ability to implement the purpose of the BCMAF. Assessment based on demonstration of cohesion, past joint projects, etc.
- (b) Team member experience. The Applicant (each team member) should indicate and give a short description of their participation in investment opportunities appropriate to the BCMAF's purpose (private equity - early stage, expansion, or pre-IPO stage investments). Assessment based on the number of deals, value of the deals and complexity of the deals.
- (c) Expertise and suitability. The Applicant should indicate team member expertise and experience in the relevant fields in order to complete the BCMAF's objectives. It shall also detail any capacity building activities for existing staff or delegation of knowledge-intensive tasks to sub-contractors. Assessment based on the feasibility, credibility, and appropriateness.
- (d) Deal origination process. The Applicant should provide description of the deal origination process. Assessment based on the quality, credibility, feasibility, and robustness of the description.
- (e) Familiarity with the local investment environment. The Applicant should describe, for example, the market for investment management, depository service providers, advisory or other external consultants in the Baltics. Assessment based on quality of the description.
- (f) Sectorial insight. The Applicant should describe its experience and knowledge on certain sectors of the real economy and indicate its preferred sectors, if any. Assessment based on relative strengths and weaknesses of the Applicant.
- (g) IPO experience or expertise relevant to launch an IPO (as defined in Annex III). The Applicant: (i) whose members have experience in launching IPO or (ii) whose members can demonstrate, to the satisfaction of the

Selection Committee, that they possess requisite skills and experience, will be preferred.

- (h) In case the Applicant is pursuing IBO's in its strategy - IBO experience or expertise relevant to launch an IBO (as defined in Annex III). The Applicant: (i) whose members have experience in launching IBO or (ii) whose members can demonstrate, to the satisfaction of the Selection Committee, that they possess requisite skills and experience, will be preferred.

3. Individual Skill of the Managers

- (a) Track record in venture capital or private equity of each team member with particular examples. The Applicant and/or each team member should provide description of investment outcomes as well as quantitative assessment. E.g. ROI, exit price-to-earnings multiple, gross IRR/NPV or any other DCF method of their past investments where the Applicant and/or each team member has substantially participated in.
- (b) Investment decision-making. One case-study of full investment process (from origination to exit) including deal flow generation, ability to invest, ability to build companies and add value and exit strategy.
- (c) Added value by the team. Description on experience, knowledge, skills, and abilities that enhance the management of the BCMAF. Assessment on ability to demonstrate added value to the satisfaction of the Selection Committee.

4. BCMAF Terms and Conditions

- (a) Legal and organisational structure including corporate governance and independence of proposed Financial Intermediary.
- (b) Management costs and fees according to market practice whilst taking into consideration different cost structures related to pre-IPO/IPO investments and IBOs
- (c) Proposed carried interest structure.
- (d) The hurdle rate which the Applicant deems appropriate and feasible.
- (e) Proposed percentage of manager self-investment relative to the BCMAF's size ("skin in the game").
- (f) Posed measures to mitigate possible conflicts of interest.
- (g) Ability to raise additional private financing from Independent Private Investors and/ or International Financial Institutions.

5. Capacity, integrity, and compliance requirements

Capacity requirements:

- (a) Key Executives: Skilled and experienced in investment management, with a proven ability to work together.
- (b) Financial resources and human resources: the Applicant should have adequate financial resources. Key Executives without a legal entity should demonstrate ability to receive financial resources.
- (c) Internal control system: the Applicant should have adequate internal control system. Key Executives (and their team if necessary) without a legal entity should provide ability to introduce and implement internal control system.
- (d) Sound organisational structure and governance framework: the Applicant should have clear decision-making procedures and the competences between various bodies

should be clearly defined. Key Executives (and their team if necessary) without a legal entity should provide ability to introduce and implement the best corporate governance practices.

- (e) Shareholder base: Details on the envisaged shareholder base for the BCMAF management company and other entities of the structure (if any) provided that it is planned to set up a new entity in compliance with respective applicable laws and guidelines of the regulator.

Integrity requirements:

- (a) Transparency: legal and tax structure should be clear and transparent.
- (b) Conflict of interest: the Applicant (each team member) should not be in conflict of interest with ALTUM or INVEGA.
- (c) Lack of breach of applicable anti-money laundering law: the Applicant (each team member) should not be found, by a judgement which has status of res judicata, to have committed, been involved, or been aware or grossly negligently not aware that its organisation is committing a breach of applicable anti-money laundering law. For avoidance of doubt, this requirement is additional to requirement of "lack of breach of criminal law" as it also covers administrative or comparable sanctions.

Compliance requirements:

- (a) Compliance with the best practice standards: the Applicant should indicate full compliance with anti-money laundering, no tax evasion and transparency, anti-fraud, anti-corruption, conflict of interest and ESG standards, according to the best market practices and not materially inconsistent with any laws, policies, and other documents governing operations of ALTUM or INVEGA.
- (b) No arrangements with Non-Compliant Jurisdiction element: the team should not rely on or intend to use arrangements (entities, companies, contractual arrangements, etc.) that are constituted, incorporated, registered, or declared as operating in, operate, are operated, owned, or managed from, or otherwise receiving benefit from Non-Compliant Jurisdictions.

ANNEX III

Guidelines on Information to be Submitted by the Applicants

<p><i>Team's cohesiveness</i></p>	<p>Emerging and/or first-time teams would be also considered. Description of the joint experience (if any) may be required. Investment professionals are required, back-office functions may be outsourced.</p> <p>The Applicant should also describe how the team fits into the broader organisation of the Financial Intermediary, if applicable, and indicate the experts and departments that would contribute to the activities of the Financial Intermediary such as the risk management or legal departments. Where relevant, it should also show how conflicts of interest are avoided.</p>
<p><i>Team member experience</i></p>	<p>Experience should be verified. To this end the Applicant (each team member) should provide contact details of the previous employers, colleagues, project managers or other persons that can provide credible reference for experience.</p> <p>As a capacity requirement, this requires minimal experience in investment management. Participation in at least [3] deals is appropriate for a capacity requirement.</p> <p>Key personnel should be identified. Short CVs for the key personnel as well as other key personnel (responsible among others for reporting, controlling, risk analysis activities, etc.) should be provided.</p> <p>The Applicant should submit a list outlining the experience of each Key Executive (and other team members if necessary) indicating what role was assigned to them.</p> <p>Participation in investment opportunities more appropriate to the BCMAF's purpose (private equity - early stage, expansion, or pre-IPO stage investments) will be given preference. Greater number of deals is one of the aspects considered during the selection, however, it is not the sole criteria as elements such as value and complexity of the deals is also important.</p>
<p><i>IPO/IBO (if applicable) experience or capacity to launch an IPO/IBO (if applicable)</i></p>	<p>"IPO/ IBO experience" means substantial participation in acts necessary for the process of admission to trading on regulated market or multilateral trading facility within the meaning of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU or private offerings.</p> <p>The list of skills, knowledge, and experience necessary for launching an IPO/ IBO (if applicable) will be prescribed by the Selection Committee and may include but are not limited to:</p> <ul style="list-style-type: none"> (a) Examples of active engagement with investee companies (stewardship). (b) Ability to draft materials necessary and customary in corporate financing and present the activities of the company to raise capital.

	<p>(c) Ability to provide advice on corporate governance (internal procedures and policies) required by the market standards.</p> <p>(d) Ability to do value chain analyses.</p> <p>(e) Ability to provide advice on post-IPO/IBO measures.</p> <p>(f) Project management skills.</p> <p>(g) Knowledge of IPO/IBO project timeline.</p>
<i>Expertise and suitability</i>	<p>The Applicant should further outline the roles, responsibilities, skills, and competences of each team member, such as project selection, team/risk management team or internal control bodies.</p> <p>The Applicant should outline the roles and responsibilities of the team and detail how specific departments or individuals fit their proposed roles.</p>
<i>Team's capacity to work in the local market</i>	<p>The team should demonstrate capacity to work in Latvia and Lithuania.</p>
<i>Transparency</i>	<p>The Applicant shall identify the beneficial owners, and state that there are no reasons why any of the exclusion criteria apply or might apply. The Applicant shall confirm readiness to provide documentation providing full ownership diagram of UBO's. Explanations on cross-border elements might be required.</p>
<i>Conflict of interest</i>	<p>The Applicant should describe how it will ensure the impartiality of the selection process for the investee companies and the management of the funds allocated to it. It should identify any existing conflicts of interest and describe conflict of interest procedures. The Applicant shall indicate the proposed measures to align interests and to mitigate possible conflicts of interest.</p> <p>Description of appropriate measures to avoid conflict of interest as well as risks, management description, methodology, procedures may be required.</p>
<i>Sanctions List</i>	<p>The Applicant, Key Executives should submit a declaration (Annex IV, Declaration Part A) declaring that neither it, nor any of its relatives are included Sanctions list.</p> <p>Sanctions list is a list of persons, entities, arrangements, or property administered by Sanctions Authority. Sanctions Authority means an institution of:</p> <ul style="list-style-type: none"> (a) Republic of Latvia, (b) Republic of Lithuania, (c) United Nations, (d) European Union, (e) United States government, (f) United Kingdom of Great Britain, <p>and includes any government entity of any of the above, including, without limitation, the Office of Foreign Assets Control of the US Department of Treasury (OFAC) and the United States Department of State.</p>

	<p>Sanctions List includes:</p> <ul style="list-style-type: none"> (a) Any legal act adopted by a state that includes restrictions prescribed in national sanction laws. (b) Any legal act adopted by the European Union, which, at most cases is identifiable by use of phrase "restrictive measures" in its title and usually is adopted by the Council of the European Union. (c) United Nations Consolidated List which is based on the decisions of Security Council of the United Nations. (d) The "Specially Designated Nationals and Blocked Persons" list maintained by OFAC. (e) Any similar list maintained by, or public announcement of Sanctions designation made by, any other Sanctions Authority.
<p><i>Non-Compliant Jurisdiction</i></p>	<p>For the purpose of BCMAF, a Non-Compliant Jurisdiction is a jurisdiction:</p> <ul style="list-style-type: none"> (a) listed in Annex I and Annex II of the European Council conclusions on the revised EU list of non-cooperative jurisdictions for tax purposes, (b) included in the OECD/G20 list of jurisdictions that have not satisfactorily implemented the tax transparency standards, (c) listed in the Annex of the Commission Delegated Regulation (EU) 2016/1675 of 14 July 2016 supplementing Directive (EU) 2015/849 of the European Parliament and of the Council by identifying high-risk third countries with strategic deficiencies (as amended from time to time), (d) rated as "partially compliant" or "non-compliant", including corresponding provisional ratings, by the Organisation for Economic Cooperation and Development and its Global Forum on Transparency and Exchange of Information for Tax Purposes against the international standard on exchange of information on request, (e) included in the Financial Action Task Force statement "High risk Jurisdictions subject to an Open Call for Action"), or (f) included in the Financial Action Task Force statement "Jurisdictions under Increased Monitoring".
<p><i>Economic and financial resource capacity</i></p>	<p>Applicant should show and describe how it meets adequate economic and financial viability.</p> <p>This may be evidenced by:</p> <ul style="list-style-type: none"> (a) Possessing a valid financial sector entity, as defined in the paragraph 27 of the Article 4 of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012, licence (for avoidance of doubt, this excludes registered Alternative Investment Fund Manager).

	<p>(b) Financial statements for the past 3 years, demonstrating sound financial management.</p> <p>(c) Any other means of demonstration as the Applicant considers to be appropriate to the Selection Committee.</p>
<i>Human resource capacity</i>	Any means of demonstration as the Applicant considers to be appropriate to the Selection Committee.
<i>Sound organisational structure and governance framework</i>	<p>The Applicant shall describe the management, administration, and accounting procedures, which will be applied in the exercise of the function of the Financial Intermediary. The Applicant should indicate the roles and responsibilities for implementation of the BCMAF, including any stakeholder representation.</p> <p>The governance provisions shall also define the mechanisms to guarantee the compliance of projects with applicable laws, and obtaining all relevant authorisations and licences relevant thereto, State budget co-financing according to applicable laws.</p> <p>The Applicant should indicate and describe legal and ownership structure of the Financial Intermediary (existing or to-be-established), relevant roles and responsibilities for the implementation of the BCMAF, including any stakeholder representation. The Applicant should also present its legal and ownership structure as well as describe its corporate governance including adherence to regulatory requirements and best corporate governance practices; in addition, the Applicant should describe the responsibilities of the management (and if applicable advisory) bodies, together with their composition and method of appointment, and decision procedures such as the organization of meetings, voting procedure, acceptance threshold and veto rights.</p> <p>If the Applicant is an already established entity (e.g. Alternative Investment Fund Manager), then it shall provide a copy of the documents regulating its economic activities (by-laws, founding documents, licences, patents, etc.) evidencing its status as an asset manager and its entitlement to carry out the tasks foreseen under the EU and national law or capacity to receive such authorisations.</p>
<i>Breach of fiduciary duties/anti-money laundering/criminal law</i>	<p>This should be evidenced by declaration, signed by each of the Applicant's team members, which includes a statement on lack of any breaches or explanation on how this breach was remedied and why it will not affect the management of the BCMAF. However, where possible, attestation from a competent authority is preferable.</p> <p>"Criminal law" means body of legal norms that are considered to be criminal in the domicile of the team member. Exceptionally, ALTUM or INVEGA may require, after presenting a particular provision of Criminal law of either the Republic of Latvia or the Republic of Lithuania in English, a team member to declare that the team member has not committed acts that would breach the legal norm presented.</p> <p>"Anti-money laundering law" means any legal norm of the Republic of Latvia or the Republic of Lithuania, which is a transposition of Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention</p>

	of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation (EU) No 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC in the version in force on 30 August 2022.
<i>Internal control system</i>	<p>The Applicant shall describe internal control systems and procedures for the execution, measurement, follow up and mitigation of risks, which will be applied in the exercise of the function of a Financial Intermediary.</p> <p>The Applicant shall demonstrate its organisational capacity which shall, in line with the applicable regulatory framework and best banking practices, include (i) description of its risk governance and demonstration of adherence with regulatory requirements and best banking practices, (ii) an internal control system in conformity with international standards and (iii) risk management framework.</p> <p>Risk management framework should include but not be limited to risk assessment, other internal risk guidelines, early warning systems, limits framework, and a governance structure which integrates internal control and risk management procedures.</p>
<i>Track record</i>	Each Key Executive of the Applicant should provide a separate track record in PE and/ or IPO/ IBO (if applicable) deals in Excel format.
<i>Investment decision-making</i>	The purpose of this assessment is to compare ability to originate deals, to effectively interact with the management of the investee companies, and quality of due diligence. For example, the Applicant shall produce one case-study of an investment case as such. The Selection Committee should aim to determine whether the decision-making practices, including deal origination methods, development of financing structures and assumptions are coherent, reasonable, sustainable, and adequate to the investment thesis, and whether due diligence is appropriate. Where due diligence appears to be unproportionate to the number of idiosyncratic qualities or materiality of idiosyncratic risks of the deal or does not disclose enough detail to mitigate standard risks explanation should be requested.
<i>Value added by the team</i>	The Applicant (each Key Executive) should describe how their individual performance contributed to, for example, identifying latent high-growth company, exiting above the expected return, introducing changes to the governance of the company (investor activism), which increased the value of the investee company, or successful strategic resource allocation.

ANNEX IV
Applicant Confirmation

Dear Sir or Madam,

Herewith we are submitting our Expression of Interest on behalf of [●] in response to the Open Call for Expression of Interest ("**Open Call**") to select Financial Intermediaries within the Baltic Capital Markets Accelerator Fund ("BCMAF") implemented by ALTUM and INVEGA and co-financed by the Republic of Latvia and the Republic of Lithuania, published on [●].

Capitalised expressions utilised herein shall have the meaning attributed to them in the aforesaid Open Call.

The undersigned duly authorised to represent the [*Association of natural persons or legal entity*] ("**Applicant**") and, by signing this form, certify and declare:

1. the information included in this Expression of Interest and all documents attached is complete, correct and up to date in all its elements.
2. the undersigned duly authorised to represent the Applicant, by signing this form certify and declare that it will ensure full compliance with anti-money laundering, no tax evasion and transparency, anti-fraud, anti-corruption, conflict of interest and ESG standards according to the best market practices and not materially inconsistent with any laws, policies, and other documents governing operations of ALTUM and INVEGA.
3. that the Applicant has read the Open Call documentation and agrees to the terms and conditions contained therein.

Yours sincerely,

Signature:

Name and position (if legal entity):

Applicant's name/ Names of natural persons representing association:

Place:

Date

This Applicant Confirmation is signed by the electronic signature of the authorised person submitting the Expression of Interest of the Applicant.

DECLARATION

PART A

(to be completed: (i) by the person authorised to represent the Applicant (if a legal entity) or by the Applicant (if a natural person); and (ii) by all Key Executives)

(Date)

Furthermore, the Applicant (if a legal entity) / I (if a natural person) duly authorised to represent the Applicant or being one of the Key Executives, by signing this form, certify and declare that the Applicant or I as one of the Key Executives is not in any of the situations below:

1. Bankrupt, subject to insolvency, being wound up, having its affairs administered by a liquidator or by the courts, does not have any other arrangement with creditors (in relation to the aforesaid), business activities are not suspended or on a standstill (agreement with creditors that is validated by the competent court when required by the applicable law), in any analogous situation arising from a similar procedure provided for in national legislation or regulations.
2. Within past five years no final judgement or decision has been adopted (by court or respective authority within the administrative proceeding) for being in breach of any tax related obligations in accordance with the applicable laws and where such obligations have remained unfulfilled unless an agreement with the tax authority has been reached on division of the payments into terms.
3. Within past five years I (if a natural person) / the Applicant (if a legal entity) or the persons having control over it (including decision making rights) or representation rights have not been subject to a final decision (by court or respective authority within the administrative proceeding) for serious professional misconduct or serious breach of fiduciary duties for one of the following reasons: providing misleading, false or materially incomplete information or fraudulently misrepresenting information required within any capital raising project (including, for the verification of the absence of grounds for exclusion or the fulfilment of the selection criteria or in the performance of an agreement), conduct which would amount to breach of EU competition law, influencing the decision-making process of the contracting authority during the relevant award procedure, breach of confidentiality obligations.
4. Within past five years no final judgement or decision has been adopted (by court or respective authority within the administrative proceeding) with regards to me (if a natural person) / persons having powers of representation, decision-making, control over the Applicant (if a legal entity) for serious crimes, including crimes against property, bodily integrity and health, environment, economy, fraud, embezzlement, corruption, money laundering or terrorist financing of offenses anyhow linked to terrorist activities, participation in a criminal organisation, child labour or other forms of trafficking in human beings.
5. I (if a natural person) / Applicant (if a legal entity), or any of my / their relatives, defined as (i) a spouse or a civil partner, (ii) children or step-children, (iii) parents and step-parents, (iv) brothers and sisters and step-brothers and step-sister, (v) a spouse or a civil partner of any person within (ii)-(iv), or related parties or any persons having powers of representation, or decision-making capacity in the applicant, or persons that have control or ability to influence the decisions of the applicant are not included or have no reason to be included in a Sanctions list, as defined in Annex III of the Open Call.
6. I (if a natural person) / Applicant (if a legal entity), or any of persons having powers of representation, decision-making, control are not domiciled, residing, registered,

established in any of the Non-Compliant Jurisdictions, as defined in Annex III of the Open Call, (unless operation is physically implemented in the relevant jurisdiction and it does not present any indication on supporting any criminal activities such as money laundering, financing of terrorism, tax crimes (i.e. tax fraud and tax evasion) and tax avoidance practices (i.e. wholly artificial arrangements aimed at tax avoidance).

7. I (if a natural person) / Applicant (if a legal entity) confirms that it fully complies with all relevant international, EU, and applicable laws of the member states with regards to prevention of money laundering, tax fraud, tax evasion and artificial arrangements aiming at tax avoidance (such as DAC6 and other), the fight against terrorism.
8. I (if a natural person) / Applicant (if a legal entity) confirm / confirms that I (if a natural person) / he (if a legal entity) is not a politically exposed person*.

**Politically exposed person is a natural person who is or who has been entrusted with prominent public functions and includes the following:*

- i. Heads of state, heads of government, ministers and deputy or assistant ministers.
- ii. Members of parliament or of similar legislative bodies.
- iii. Members of the governing bodies of political parties.
- iv. Members of supreme courts, of constitutional courts or of other high-level judicial bodies, the decisions of which are not subject to further appeal, except in exceptional circumstances.
- v. Members of courts of auditors or of the boards of central banks.
- vi. Ambassadors, chargés d'affaires and high-ranking officers in the armed forces.
- vii. Members of the administrative, management or supervisory bodies of State-owned enterprises.
- viii. Directors, deputy directors and members of the board or equivalent function of an international organisation.

No public function referred to in points (i) to (viii) shall be understood as covering middle-ranking or more junior officials.

9. I am aware that if the declaration submitted by me is false, the Open Call application shall be rejected.
10. The Applicant (if a legal entity) / I (if a natural person) shall be held liable for the failure to provide correct information in the Declaration under the procedure laid down by law.
11. Should a group of legal entities or natural persons participate in the Selection as an Applicant, the Declaration shall be completed by each member of the group of legal entities or natural persons separately.
12. I (if a natural person) hereby unconditionally agree, that INVEGA, ALTUM and competent authorities shall apply for and receive my personal data and information from any state register and private data base that are necessary for the purpose of evaluation of the Expression of Interest and/or Selection procedures, including, but not limiting, all information proving the above declarations. Nevertheless, upon request of INVEGA or ALTUM I hereby conform and agree to additionally submit any and all necessary certificates and data extracts from any state register or data base for the purpose of evaluation of the Expression of Interest and/or Selection procedures, including, but not limiting, all information proving the above declarations if such request shall be made by INVEGA or ALTUM.

13. I (if a natural person) confirm that I have been duly informed about the processing of my personal data and rights related thereto, and hereby agree that INVEGA or ALTUM, as the data controllers, shall process (including, without limitation, shall collect, record, accumulate, store, classify, group, combine, supplement and rectify, if necessary, disclose, if necessary, use, destroy or carry any other lawful action with) Applicant's personal data, including, without limitation their personal data, received by INVEGA or ALTUM from any third party. I agree that such processing of my personal data shall be implemented for the purpose of evaluation and/or accounting of the Expression of Interest and/or Selection and its ongoing implementation, and that my personal data may be transferred to the authorities implementing control functions in Lithuania, Latvia and other countries in EEA under the respective inquiries.

This Declaration is signed by the electronic signature.

Signature:

First name and surname:

DECLARATION

PART B

To be completed by natural persons: (i) by all directors, officers and executives of the Applicant (if Applicant is a legal entity); or (ii) by the Applicant (if Applicant is a natural person); and (iii) by all Key Executives.

.

I hereby agree that I am informed of:

- 1.** INVEGA and ALTUM acting as data controllers, and when implementing BCMAF, shall process (including, without limitation, shall collect, record, accumulate, store, classify, group, combine, supplement and rectify, if necessary, disclose, if necessary, use, destroy or carry any other lawful action with) my personal data: name, surname, personal identification number, personal identification document data, email address, telephone number, names of the companies managed, including share of capital or voting rights, links with other legal entities, information on important public duties, relations with politically exposed persons, curriculum vitae data and other information that I shall provide with the Expression of Interest in order to participate in the selection of fund managers for the implementation of the BCMAF.
- 2.** The personal data referred to in paragraph 1 of this Declaration shall be processed for the purposes of implementing the BCMAF, i.e. for the purpose of evaluation if the Expression of Interest and/or Selection, conclusion of the agreement with the selected financial intermediary and its ongoing implementation and for the purpose of complying with the requirements of the legislation on the prevention of money laundering, the fight against terrorism and tax fraud.
- 3.** INVEGA or ALTUM shall process my personal data in accordance with: a) Articles 6(1)(b) and (c) of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (the 'General Data Protection Regulation') (hereinafter referred to as Regulation (EU) 2016/679); b) Law on Legal Protection of Personal Data of the Republic of Lithuania; c) Personal Data Processing Law of the Republic of Latvia; d) Article 6(3) of the Law on National Development Institutions of the Republic of Lithuania; e) the Rules for the Processing of Personal Data of INVEGA approved by the General Director of INVEGA (hereinafter referred to as the INVEGA Personal Data Processing Rules). Information on the processing of personal data is provided in the "Protection of personal data" section of the INVEGA website www.invega.lt; the Privacy Policy available on ALTUM website www.altum.lv;
- 4.** INVEGA or ALTUM, in accordance with the requirements of legal acts, may receive my personal data and information from other sources: public and private registers and information systems that process data on the payment of taxes, personal income, names of managed companies, including share of capital or voting rights, private interests declared by a person, and other publicly available and private sources, for the purposes specified in paragraph 2 of this Declaration;
- 5.** INVEGA or ALTUM shall process and store personal data at least until the later of a) the date which falls 3 years after the end of the implementation of the Financial Instrument, and b) the date defined in the legal acts of the Republic of Lithuania and respectively in the legal acts of the Republic of Latvia regulating the storage of documents;

INVEGA or ALTUM may transfer the personal data indicated at paragraph 1 of this Declaration to external experts, who may, as necessary, be invited during the Selection and/or to providers of other services necessary for the proper implementation and/or administration of the BCMAF. INVEGA or ALTUM shall submit data indicated in paragraph 1 of this Declaration for audit purposes and to the authorities implementing control functions in Latvia, Lithuania and other countries in EEA under the respective inquiries. Personal data shall not be transferred to third countries.

N.B.

- I confirm that if I provide the personal data of other persons, the personal data of such persons have been obtained legally and I have the right to disclose this personal data to INVEGA or ALTUM.
- I confirm that the persons whose personal data I am providing (e. g. joiners and leavers of the team) are aware that their personal data is processed by INVEGA or ALTUM and that these persons have been familiarized with the information in this Declaration and INVEGA's Personal Data Processing Rules as well as the Privacy Policy of ALTUM.

This Declaration is signed by the electronic signature.

Signature:

First name and surname:

ANNEX V

Term Sheet

This term sheet ("**Term Sheet**") is the summary of principal terms of the agreement to be entered into between ALTUM, INVEGA and the Financial Intermediary.

The terms of this Term Sheet are not exhaustive, do not contain all the substantial matters that must be agreed upon, are not intended to be legally binding and are subject to the agreement as well as signing by all relevant parties of a detailed and legally binding agreement.

Capitalised expressions utilised herein shall have the meaning attributed to them in the Expression of Interest to select Financial Intermediaries within the BCMAF implemented by ALTUM and INVEGA and co-financed by the Republic of Latvia and the Republic of Lithuania, published on [•] ("**Open Call**"), unless otherwise defined below or the context requires otherwise.

1. Rationale

The purpose of the Baltic Capital Markets Acceleration Fund ("**BCMAF**") is to support access to finance for Latvian and Lithuanian as well as EU small and medium-sized enterprises ("**SMEs**") and Small or Innovative mid-caps and the development of capital markets.

It is expected that the BCMAF will provide finance for pre-listing and listing stage SMEs and Small or Innovative mid-cap companies operating in the Baltic market. The BCMAF shall target established profitable companies with enterprise value between EUR 5-100 million, which are expected to form the bulk of the expected equity raisings during the coming years.

2. Terms of reference

<i>BCMAF</i>	[Name of the Fund - Baltic Capital Markets Acceleration Fund], [Name of jurisdiction] registered [limited partnership].
<i>Limited Partners</i>	"Attīstības finanšu institūcija Altum" AS (" ALTUM "), „Investīciju ir verslo garantijos", UAB (" INVEGA ") and Independent Private Investors or International Financial Institutions which have invested into the BCMAF.
<i>General Partner</i>	Financial Intermediary selected by ALTUM and INVEGA for establishment and operation of the BCMAF. [Name of General Partner], a [form of entity], registered in [Name of jurisdiction].
<i>Partners</i>	Limited Partners and General Partner.
<i>Financial Intermediary</i>	General Partner selected by ALTUM and INVEGA to manage the BCMAF. [Name of General Partner], a [form of entity], registered in [Name of jurisdiction]. General Partner as the Financial Intermediary will manage the BCMAF based on commercial principles and terms set in the agreement to be entered into between ALTUM, INVEGA and the Financial Intermediary. Representatives of the investors shall be appointed on appropriate Advisory Committee to review, inter alia, conflicts of interest.

	General Partner as the Financial Intermediary shall apply the best industry practices, inter alia, considering guidelines developed by Invest Europe, and shall perform appropriate controls.
<i>New Limited Partners</i>	New limited partners may join at a later stage.
<i>Independent Private Investor</i>	Independent private investor means an investor who is private and independent, as set out below. "Private" investors will typically include banks investing at own risk and from own resources, private endowments and foundations, family offices and business angels, corporate investors, insurance companies, pension funds, private individuals, and academic institutions. The European Investment Bank, the European Investment Fund, an international financial institution in which Lithuania and or Latvia is a shareholder, or a financial institution established in Lithuania or in Latvia aiming at the achievement of public interest under the control of a public authority, as well as a public or private law body with a public service mission will not be considered private investors for the purposes of this definition. "Independent" means that a private investor is not a shareholder of the eligible undertaking in which it invests. Upon the creation of a new company, private investors, including the founders, are considered to be independent from that company. For the avoidance of doubt, neither INVEGA, neither ALTUM, the Fund Manager nor entities directly or indirectly associated with the Fund Manager shall be considered an Independent private investor.
<i>International Financial Institution</i>	For the purpose of this Open Call, International Financial Institution refers to European Investment Bank (EIB), European Bank for Reconstruction and Development (EBRD), European Investment Fund (EIF) or any other International Financial Institution that might be relevant to the BCMAF.
<i>Currency</i>	The currency of the BCMAF will be euros (EUR).
<i>Total Capital Commitments</i>	Total amount of subscribed capital commitments of the Partners.
<i>Capital Commitments of Limited Partners</i>	Total amount of subscribed capital commitments is as follows: ALTUM's commitment is EUR 20 million, INVEGA's commitment is EUR 18.78 million. It is expected that the Financial Intermediary will have to attract a commitment of at least EUR 10 million from Independent Private Investors and/ or International Financial Institutions.
<i>Capital Commitment of General Partner</i>	General Partner shall contribute an adequate minimum percentage of the total size of the BCMAF (i.e., Total Capital Commitments).
<i>Term of the BCMAF</i>	Ten years from the Initial Closing Date, subject to two one-year extensions by the Financial Intermediary and with the prior consent of the Advisory Committee.
<i>Investment</i>	An investment performed or undertaken on behalf of the BCMAF by the General Partner in accordance with the

	Investment Strategy and respective agreement entered with the investee company.
<i>Eligible Investees</i>	The BCMAF shall invest in such companies that conform with the Investment Strategy, i.e., pre-listing and listing stage SMEs and Small or Innovative mid-cap companies (as defined in Communication from the Commission Guidelines on State aid to promote risk finance investments (2014/C 19/04)).
<i>Investment Restrictions</i>	The BCMAF shall only make investments if they are consistent with the Investment Strategy, considering the planned amount of participation (percentage) of the BCMAF in each Investment.
<i>Investment Range</i>	Up to 10% of the Total Capital Commitments of the BCMAF may be invested in a single Investee at any point in time. In monetary terms, BCMAF's investment per target company will range from EUR 0.5 million to EUR 5 million (with a possibility to increase the invested amount up to 15% of the Total Capital Commitments subject to approval of the Advisory Committee).
<i>BCMAF's due diligence before Investments</i>	The General Partner will make investment decisions based on each investment's business plan, which should contain product description, turnover and profitability calculations and forecasts, previous assessment of project visibility, as well as each investment's clear and realistic exit strategy.
<i>BCMAF Expenses</i>	The Partners shall pay all the BCMAF's pro rata share of the reasonable and properly incurred costs and expenses of the BCMAF in each case to the extent not reimbursed by an Investee Company, for example: (i) liquidation costs, (ii) any applicable taxes, fees or similar government charges which may be assessed against the BCMAF, (iii) expenses associated with preparation of the BCMAF's financial statements, tax returns and other accounting related documents, (iv) all fees, costs and expenses relating to potential litigations, investigations or other proceeding involving the BCMAF or any investee company, (v) establishment costs.
<i>Expenses Related to BCMAF Establishment</i>	The establishment costs shall be deemed to include any fees, expenses, and costs necessary to set up the BCMAF.
<i>General Partner and Financial Intermediary's Expenses</i>	The General Partner agrees to assume and pay all normal operating expenses attributable to the BCMAF's investment activities (including expenses that incur for fulfilment of the Financial Intermediary functions), such as, but without limitation: (i) all overheads or running costs, (ii) any costs related to ensuring regulatory compliance (including obtaining any required licenses), (iii) remuneration, compensations and benefits of the employees or any internally retained consultants, Key Executives, Investment Committee members, advisors etc., (iv) legal, accounting, audit, support services, external consultants etc., (v) any travel expenses, (vi) any expenses related to office space, furniture, computers, telephones etc., (vii) all fees and expenses incurred in investigating investment and

	divestment opportunities and evaluating potential investments and divestments for the BCMAF, as well as for monitoring of the BCMAF's Investments.
<i>Management Fee</i>	Typically paid on the total commitments of the BCMAF during the investment period and on the invested capital (acquisition costs of the active portfolio of the BCMAF reduced by the acquisition costs of the BCMAF's investments that have been sold, written-off or written-down) thereafter.
<i>Management Fee Cap</i>	The management fees to be paid will be negotiated between ALTUM and INVEGA and the General Partner. The amount should be proportional to the operational requirements of the BCMAF and the Investment Strategy but may not exceed 14% of the Total Capital Commitments for the entire lifetime of the BCMAF.
<i>Key Executives</i>	Key Executives of the General Partner, listed in the limited partnership agreement between the Partners. Key Executives may be replaced from time to time in line with the terms of the agreement.
<i>Investment Committee</i>	Investment committee established by the General Partner. The number of Investment Committee members shall be determined by the General Partner.
<i>Advisory Committee</i>	Advisory committee of the BCMAF consisting of at least [3] and a maximum of [7] members, representatives of the Limited Partners.
<i>Distributions in Kind</i>	<p>Only cash or marketable securities may be distributed prior to the final distribution following the liquidation of the BCMAF.</p> <p>If a Limited Partner elects not to receive distributions of marketable securities, the General Partner shall use commercially reasonable efforts to sell any securities that would otherwise have been distributed to such Limited Partner for cash.</p>
<i>Borrowing and Guarantees</i>	The BCMAF may not borrow amounts, issue guarantees or otherwise incur indebtedness or use leverage for its investments.
<i>Investment Period</i>	<p>Investment period is the period starting on the First Closing Date up to earliest of the following: (i) [6] years from the first Closing Date; (ii) the date when [80%] of subscribed Capital Commitments of the Partners are requested and paid into the BCMAF; date when the decision on liquidation of the BCMAF is adopted; (iii) [other term] subject to termination in accordance with the limited partnership agreement.</p> <p>General Partner shall ensure (using its best effort) investment of the subscribed Capital Commitments of the Partners in the Investments in the largest possible amount.</p>
<i>Standard of Care</i>	The Financial Intermediary shall manage and control the BCMAF and its business and affairs reasonably and in good faith and with the care that an ordinarily prudent person in a like position would exercise under similar circumstances. The foregoing duties apply to all investment decisions, delegations of authority, and all other acts or omissions of

	the Financial Intermediary. This supplements and does not replace the fiduciary duties applicable to the Financial Intermediary, as the case may be, pursuant to any applicable laws.
<i>Conflict of Interest</i>	The General Partner shall not, and hereby commit that the BCMAF shall not, directly, or indirectly knowingly undertake any conduct constituting an actual or potential conflict of interest between: (i) the BCMAF, any Investee Company, (ii) any natural person(s) making investment decisions in the name of the BCMAF and the General Partner. The General Partner shall promptly disclose to the Advisory Committee all actual or material potential conflicts of interest.
<i>Reporting</i>	The General Partner shall provide ALTUM and INVEGA with quarterly information in a standardised form and scope, in line with Invest Europe guidelines for reporting to be specified in the agreement entered with the General Partner. The books, accounts, and records of the BCMAF as of the end of each fiscal year shall be audited by the auditor. Within 80 days of the end of the fiscal year the General Partner shall provide to the Limited Partners a financial report audited by the auditor, prepared in compliance with [GAAP, IFRS].
<i>Monitoring</i>	The Financial Intermediary shall always monitor Investee Company, keep records, and provide access to such documents, to ensure full compliance with all applicable laws, rules, and regulations on prevention of money laundering and terrorism and proliferation financing, as well as to ensure that the Investee Companies are not included in the Sanction list as described in Annex III to the Open Call.

ANNEX VI

Project Description

The Applicant should outline its investment proposal. This description should include information on topics such as:

1. Market

- Short description of the main characteristics of the Baltic markets, their opportunities, and challenges.
- Detailed description on the possible alternative sources of finance in the preferred markets and short opinion on the BCMAF's position with respect to the alternative sources.
- Description of the local investment environment, including investment opportunity sources.
- Strategy for establishing the presence of the BCMAF and communicating its purpose to the Baltic private equity markets.

2. Implementation of Investment strategy

- Detailed description of main actions and strategies for:
 - Deal origination,
 - Portfolio management,
 - Portfolio structure regarding the pre-IPO, IPO and IBO deals,
 - Involvement in the management and stewardship of the investee companies,
 - Preparation of the investee companies for an IPO/ IBO (if applicable), and
 - Exit.
- Detailed pipeline of the companies that would be suitable for BCMAF to invest in;
- Description of preferred BCMAF focus, that is, preferred stage and sectors, expected geographical allocation, number of deals and ticket sizes, timing of the follow-up investments and targeted returns.
- Expected portfolio size (number of investee companies) and the sectorial diversification.
- Value added to the investee companies.
- Expected BCMAF's investing period.
- Expected holding period.

3. Management

- Statement on the team's size, roles, competences, skills and responsibilities of each team member.
- Description of the BCMAF's investor involvement and available supervision mechanisms.
- Description of the legal structure of the BCMAF and the Financial Intermediary, including governance structure.
- Description of the investment decision-making process and procedures.

- Details of the carried interest structure and its split among the team members.
- Description of policies, procedures, and other measures to identify, indicate, avoid, or mitigate conflicts of interest.
- Description of approach to outsourcing.
- Details of control systems aimed both internal and external risk management.

4. Terms and Conditions

- Management costs and fees according to market practice.
- Proposed hurdle rate.
- Proposed percentage of manager self-investment relative to the BCMAF's size ("skin in the game").
- Additional private financing from Independent Private Investors or International Financial Institutions.

ANNEX VII

Personal Data Processing

The Parties, also referred to as "**Data Controllers**", will jointly process personal data provided by the Applicants in strict compliance with Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data ("**General Data Protection Regulation**" or "**GDPR**"). The Parties undertake to follow the best data protection practices and implement the highest data protection standards set out in their privacy policies. The Applicants are encouraged to review privacy policies of the Data Controllers by clicking on the designated links:

- **ALTUM Privacy Policy** is available at www.altum.lv/en/privacy-policy/
- **INVEGA Rules for Processing of Personal Data** is available at invega.lt/en/policy-on-the-protection-of-privacy/166

1.1. Legal Basis and Purpose

The personal data of the Applicants contained in the Applications is jointly processed by the Parties under Article 6.1.(b) of GDPR, which provides legal basis for processing personal data received through the selection process or other pre-contractual steps. The selection process requires efficient management of the Application process and detailed due diligence of the Applicants to facilitate fair, thorough, and complete evaluation, including identification of the actual and potential financial and reputational risks. In case an Applicant refuses or fails to provide personal data requested by the Parties as part of the selection process, the Parties will not be able to consider the Applicant for the role of the Financial Intermediary.

1.2. Data Subjects

The Parties, acting in their capacity as Data Controllers, will process personal data of the following private individuals, also referred to as "**Data Subjects**", as part of the selection process:

- private individual applying as an Applicant.
- authorised legal representative of the Applicant, which constitutes a legal person.

The Parties, acting in their capacity as Data Processors, will process personal data of the following Data Subjects:

- private individuals, other than those referred to in the previous paragraph, whose personal data is shared with the Parties as part of the Application. The Applicant, acting in its capacity as Data Controller, is responsible for GDPR compliant processing of the personal data of the private individuals engaged under its auspice.

1.3. Data Categories

The personal data processed by the Parties as part of the selection process comprise:

- essential information on identity and relevant contact information, in particular phone number, e-mail address and correspondence address, of each individual Applicant or legal representative of the Applicant;
- essential information on identity, professional education and work experience of the individual Applicant or each member of the team engaged by the Applicant, as well as any additional personal information concerning any individual Applicant or member of the team engaged by the Applicant, if requested by the Parties as part of the selection process.

1.4. Data Processing Activities

The personal data provided by the Applicants will be processed exclusively by the Parties. The Parties will retain the right to transfer personal data provided by the Applicants to specific data processors and/or third parties as per situations listed in the Annex IV. The Parties will store personal data provided by the Applicants until the later of a) the date which falls 3 years after the end of the implementation of the Financial Instrument, and b) the date defined in the legal acts of the Republic of Lithuania and respectively in the legal acts of the Republic of Latvia regulating the storage of documents;

. The Parties will process personal data provided by the Applicants in the territory of the European Union (EU) or European Economic Area (EEA).

1.5. Rights of Data Subjects

Data Subjects have the following rights in relation to the personal data processed by the Parties as part of the selection process:

- **Right of access:** Data Subject has a right to request and receive a copy of its personal data, as well as other relevant information, in particular (i) the purpose of processing its personal data; (ii) categories of its personal data being processed; (iii) duration of its personal data processing (retention period); (iv) source of its personal data, if it has not been provided by the Data Subject; as well as (v) information on other rights of the Data Subject described below;
- **Right to rectification:** Data Subject has a right to request Data Controller to rectify or complete its personal data without undue delay, if personal data of the Data Subject is inaccurate or incomplete;
- **Right to erasure:** Data Subject has a right to request erasure of its personal data without undue delay, if personal data of the Data Subject is (i) no longer necessary in relation to the purpose for which it has been collected; (ii) it has been unlawfully processed; (iii) it has to be erased in order to comply with a legal obligation; or (iv) Data Subject objects to the processing of its personal data and there are no overriding legitimate grounds for continuing processing of its personal data;
- **Right of restriction:** Data Subject has a right to restrict use of its personal data, if (i) Data Subject contests accuracy of its personal data; (ii) the use of its personal data is unlawful, but Data Subject does not want to erase it; (iii) Data Controllers no longer need personal data of the Data Subject for the purpose it has been collected for, but Data Subject requires it for the establishment, exercise or defence of its legal interests; or (iv) Data Subject has objected against processing of the personal data based on its legitimate interest, while verification of whether compelling interests of the Data Controllers prevail is pending;
- **Right to data portability:** Data Subject has a right to obtain personal data from Data Controllers in a structured, commonly used and machine-readable format that makes it easier for the Data Subject to re-use personal data for other purposes or transmit personal data to another data controller of its choice without hindrance or undue delay.
- **Right to lodge a complaint:** Data Subject has a right to lodge a complaint with the State Data Inspectorate (Blaumana Street 11/13-15, Riga, LV-1011, Latvia, phone number: +371 67 223 131, e-mail: info@dvi.gov.lv) or State Data Protection Inspectorate (L. Sapiegos Street 17, Vilnius, LT-10312, Lithuania, phone number: +370 5 271 2804, e-mail: ada@ada.lt) against Data Controllers, if Data Subject considers that Data Controllers are processing personal data of the Data Subject in violation of the applicable laws and regulations.

1.6. Data Controllers Contact Information

In case Data Subject is willing to exercise its rights, enquire and receive additional information or explanation regarding processing of its personal data, it may contact any of the Data Controllers:

“Attīstības finanšu institūcija Altum” AS

Registration number: 50103744891;

Registered office address: Doma laukums 4, Rīga, LV-1050, Latvia;

E-mail: gints.puskundzis@altum.lv

Phone number: +371 67 774 010

Investiciju ir verslo garantijos UAB

legal entity code: 110084026;

Registered office address: Konstitucijos ave. 7, Vilnius, 09307, Lithuania;

E-mail: info@invega.lt

Phone number: +370 5 210 7510

Data Controllers will process request, enquiry or complain of any Data Subject as soon as possible, but in any case, not later than it may be reasonably expected or prescribed by the applicable laws and regulations.