

## RULES FOR FONDITA EUROPEAN MICRO CAP INVESTMENT FUND

### 1§ NAME OF THE FUND

The name of the fund is Fondita European Micro Cap Investment Fund (hereinafter referred to as the Fund), in Finnish Fondita European Micro Cap Sijoitusrahasto and in Swedish Fondita European Micro Cap Placeringsfond.

### 2§ FUND COMPANY

Investment activities and administration of the fund are managed by Fondita Fund Management Ltd (hereinafter referred to as the Fund Company). The Fund Company shall represent the Fund, shall act on its behalf in relevant matters and shall exercise the rights accorded to the assets in the Fund.

### 3§ THE USE OF REPRESENTATIVES

The Fund Company may delegate its activities to representatives. The fund prospectus will notify as to which parts the Fund Company will engage representatives.

### 4§ CUSTODIAN

The custodian of the Fund is Skandinaviska Enskilda Banken AB (publ), Helsinki branch. (hereinafter referred to as the Custodian).

### 5§ OBJECTIVE OF THE FUND'S INVESTMENT ACTIVITIES

The objective of the Fund's investment activities is to attain the most favourable increase in value possible in the long run through diversifying of the assets in compliance with the law concerning investment funds and with the rules of the Fund. The means of the Fund are invested, taking into account the limitations present in the law concerning investment funds, and thereby resulting in the spreading of investment activity risks. The means of the Fund are primarily invested in stocks of small-sized European companies. The company size is measured according to the company's trading value. The board of the Fund Company will establish the upper limit for the trading value of small-sized companies. The fund's investment decisions take the environmental and social impacts of companies, as well as governance into account.

### 6§ INVESTMENT OF THE ASSETS OF THE FUND

The assets of the Fund shall be invested in the following:

- 1) stocks and other share-related securities which are publicly traded on security exchanges or traded on other regulated, regularly operating, certified markets in EU countries, Switzerland and Norway open to the public.

2) stocks and in other stock-related securities where a commitment is made in the issue terms to have the securities listed for trading in the above-mentioned subparagraph 1) trading systems within one year of their being issued.

3) a maximum of one tenth of the assets of the Fund in securities other than those mentioned in subparagraphs 1 and 2 above.

The Fund Company may invest assets of the Fund in the same incorporated company up to a maximum of one tenth of the issued share capital and one tenth of the total share votes.

The Fund may invest assets of the Fund in the same issuer's securities up to a combined maximum value of 10% of the fund's assets. Of the Fund's assets only a maximum of 20% may be invested in the same issuer's securities and deposits received by the association in question. The risk opponent thus amounts to a maximum of 20% of the Fund's assets. Such investments in the same issuer's securities which exceed 5% of the assets of the Fund may amount to no more than 40% of the fund's total assets.

The Fund must have the liquid assets required for operation.

## 7§ FUND UNITS AND REGISTER

The Fund Company shall maintain a register of all fund units and shall register transfers of ownership.

A fund unit-holder may request the Fund Company to send an investment certificate to a designated person. The investment certificate may cover several fund units or fractions thereof. The Fund Company may charge a separate service tariff for the safekeeping and delivery of a written investment certificate. The service tariff is given in the fund prospectus that is in force at that particular point of time. If no request is made for an investment certificate, the unit-holder's holdings shall be based on the register of fund units maintained by the Fund Company. The numbers of fund units are rounded off to the nearest four (4) decimals.

The board of the Fund Company may decide that the Fund is made up of both return units and growth units. The board of the Fund Company may decide that there are fund unit classes that differ in terms of management fee. The board of the Fund Company decides on the minimum subscription amount required for of subscription in each unit class and these are stated in the relevant fund prospectus.

## 8§ SUBSCRIPTION AND REDEMPTION OF FUND UNITS

Fund units may be subscribed to (bought) and redeemed (sold) at the Fund Company on every banking day. Information regarding subscription and redemption prices are available to the public from the Fund Company on every banking day. The subscription date is the banking day on which the

subscription sum is cleared into the appropriate Fund Company bank account by 2.30 p.m. The Fund Company can make an exception to the 2.30 p.m. rule only if the Fund Company can assure that the subscription amount will be received within the time limit that is considered as market practice (T+2). This exception can only be made with substantial reasons and it requires a separate approval given by the management of the Fund Company. The subscription price (fund unit value) is the value calculated at 3 p.m. on the date of the subscription. The information is updated at 5 p.m. at the latest, after which it is made public.

Subscription sums cleared to the Fund Company after 2.30 p.m. shall be subscribed on the following banking day.

The Fund Company reserves the right to approve or reject subscriptions paid or subscription orders. The Fund Company has the right to approve or reject subscriptions paid or subscription orders if sufficient information for the deposition has not been obtained.

The number of subscribed fund units is calculated at the Fund Company to the fourth decimal point by dividing the subscription payment (from which any subscription fees have been deducted) by the unit value.

In order to redeem fund units, any investment certificate must duly be submitted to the Fund Company. The Fund Company is obliged to redeem the fund unit in question.

Redemption orders shall be executed in the order received. Redemption orders received by 2.30 p.m. shall be executed at the value calculated at the Fund Company on the same banking day. Redemption orders received after 2.30 p.m. shall be executed at the value calculated on the next banking day. The funds provided by the redemption minus any redemption fees shall be credited to the client on the banking day following the execution of redemption, if the Fund Company does not have to sell securities in order to be able to carry out the redemption order.

If the resources required for redemption must be procured by selling securities, the Fund Company shall execute the sale of securities without undue delay, however at the latest within two (2) weeks of the request for redemption. In such a case, redemption is executed at the rate on the day on which the redemption order was received by 2.30 p.m. by the Fund Company. The redemption price shall be paid on the banking day following the day on which the funds from the sale of securities have been received. The Finnish Financial Supervision authority may, for special reasons, grant the right to transcend the above mentioned period.

Under exceptional circumstances, if a fund unit-holder's interest so requires, the Fund Company may interrupt the execution of fund unit orders (for example, when reliable market information is not obtainable from the Fund's primary market or its integral parts).

Confirmations of all subscriptions and redemptions are sent to the client at the address registered with the Fund Company.

The board of the Fund Company may decide how many units or for what sum units may be bought or sold at one time.

Fund unit-holders have the right to swap all or part of their fund units to the other investment funds managed by the Fund Company. Fund unit-holders may also swap between unit classes within the Fund. Fund units may be transferred. The new fund unit-holder must give the Fund Company an account of their title, whereupon ownership shall be registered in the fund unit-holder register.

When a fund unit-holder swaps fund units in other funds managed by the Fund Company and that at the same time are offered for subscription, the day that the order of the fund swapping was received and registered at the latest at 2.30 p.m. by the Fund Company will be regarded as the redemption and subscription day, providing the Fund has the cash means needed for the fund exchange.

#### 9§ SUBSCRIPTION AND REDEMPTION PRICE OF FUND UNITS

The Fund Company shall charge a fee for the subscription of fund units; this fee shall be a maximum of one (1) percent of the subscription price. Any minimum fees may separately be decided by the board of the Fund Company.

The Fund Company shall charge a maximum 1% fee for redemption of fund units. Any minimum fees may separately be decided by the board of the Fund Company.

The board of the Fund Company may decide to charge unit-holders a fee for the printing and delivery of paper investment certificates as well as for their safekeeping at the Fund Company.

More detailed information about the fees is found in the fund prospectus in force at that particular time.

#### 10§ CALCULATION OF THE FUND UNIT VALUE

The Fund Company calculates the value of the fund units on each banking day in Finland. Information about the fund unit value is also available from the Fund Company.

The value of the fund is calculated so that the liabilities of the Fund are deducted from its assets. The value of the Fund's securities shall be established on the basis of their market value at 3 p.m., which is the last transaction price.

If the above mentioned transaction price does not exist on the valuation date, the last available transaction price shall be used provided it falls within the buy and sell listings. If the last transaction price is higher than the sell listing or lower than the buy listing, either the buy or the sell listing shall be used depending on which is closer to the last transaction price.

If no reliable market value is available for the securities, they shall be valued in accordance with the objective principles of the board of the Fund Company. Accrued interest shall be added to the value of interest-bearing instruments. The accounts receivable shall include interest accrued thereupon until the end of the month preceding the valuation date. The value of holdings in the Fund in currency amount is converted into euros according to the exchange rate published by a public forex data provider at 3 p.m.

The value of a fund unit is calculated by dividing the value of the Fund with the number of shares issued, noting however, that the value of the return units reflects yield paid to those units. The proportional values of the return and growth units are determined by the return allocated to the owners of return units. The allocation payment changes the accounting number between the return and growth units. This accounting number is used for the following decision in case there is a lack of allocation of return.

#### 11§ ALLOCATION OF RETURN

The Ordinary General Meeting shall decide the return to be allocated and paid to holders of return units. The aim is to keep the return on a stable and predictable level. Return paid out to return unit-holders shall be deducted from the calculated fund capital for return unit-holders. Return is not paid out to growth unit-holders, rather their share of the return is added to the value of the units and reinvested in accordance with the investment strategy of the Fund.

Return is paid out to holders of return units who are registered in the Fund Company's unit register on the date of the Ordinary General Meeting. The payment will take place at the latest one (1) month after the General Meeting. After notice of the meeting, the unit holders can obtain information about the date of the General Meeting from the Fund Company during its opening hours. The return is paid to the bank account designated by the unit-holder, unless otherwise decided.

#### 12§ PAYMENT TO THE FUND COMPANY

In remuneration for its activities, the Fund Company will receive a management fee amounting to a maximum of two (2) percent per annum of the value of the fund. The sum of the fee shall be calculated daily (per annum percentage fee /365) on the fund value on the previous calculation date and shall be paid to the Fund Company monthly in arrears. The daily fund unit value reflects the deducted management fee. The board of the Fund Company shall confirm the exact management fee. Custodian fee is included in the management fee.

More detailed information about the fees is found in the fund prospects in force at the respective point in time.

### 13§ ACCOUNTING PERIOD OF THE FUND COMPANY AND FUND

The accounting period of the Fund Company and the Fund shall be one calendar year.

### 14§ MEETING OF FUND UNIT-HOLDERS

The Ordinary General Meeting of fund unit-holders shall be held annually on a date determined by the board of the Fund Company before the end of June. An Extraordinary meeting of the fund unit-holders shall be held when considered justified by the board of the Fund Company, or if the auditors or holders of fund units amounting to at least one twentieth of all the fund units issued request this in writing in order to deal with a specific matter.

The Ordinary General Meeting shall be convened by the board of the Fund Company. Notice of the meeting must be conveyed to the fund unit-holders at the earliest four weeks prior and at the latest two weeks prior to the meeting. This shall be done by way of an announcement which shall be published in at least one national newspaper appearing in Finland. Other announcements to fund unit-holders shall be notified in verifiable form either in writing or as an announcement to be published in at least one national newspaper appearing in Finland.

In order to attend the Ordinary General Meeting, the fund unit-holder must sign up to do so with the Fund Company at the latest on the date specified on the notice. A fund unit-holder is not allowed to exercise the right which at the meeting belongs to the unit holder before his fund units have been registered or he has given an account of his title to the Fund Company and presented a report thereof. The right to participate in the meeting of fund unit-holders and the number of votes at the meeting will be determined on the basis of the situation prevailing ten days prior to the meeting.

The Ordinary General Meeting of the fund unit-holders shall be opened by a person appointed by the board. The Ordinary General Meeting of the fund unit-holders shall:

- 1) elect a chairman of the meeting, who will in turn appoint a person to keep the minutes at the Meeting
- 2) draw up and adopt a register of votes
- 3) elect two people to check the minutes and two people to count votes
- 4) attest the legitimacy of the meeting
- 5) present a report on the activities of the Fund Company and the Fund
- 6) elect fund representative(s) to the board of the Fund Company as set out in the Fund Company bylaws
- 7) elect an auditor and a deputy of the Fund Company from among the fund representatives, and
- 8) handle any other business.

Each fund unit shall be represented by one vote at the unit-holders' meeting. If the holdings of the fund unit-holder total less than one unit, the unit-holder still has one vote at the meeting.

The decision of the fund unit-holders' meeting shall be the opinion which has been supported by more than half of the votes cast or, in the event of a tie, the opinion supported by the chairman. In elections, the person receiving the most votes shall be considered elected. In the event of a tie, the decision will be made by drawing lots.

#### 15§ FUND PROSPECTUS

The fund prospectus of the Fund, the KIID, the interim report and the annual reports of the Fund Company will be published in compliance with the law concerning investment funds. The biannual interim report must be issued within two months of the end of the interim reporting period and the Fund's annual report within three months of the end of the accounting period. The above mentioned documents are available at the Fund Company during its opening hours.

#### 16§ AMENDING THE FUND'S BYLAWS

The board of the Fund Company shall decide on any amendment to the bylaws of the Fund. Amendments must be ratified by the Finnish Financial Supervision Authority.

Amendments to the bylaws shall come into effect one month after the Finnish Financial Supervision Authority has given its confirmation and the fund unit-holders have been informed of the amendment, unless otherwise instructed by the Finnish Financial Supervision Authority. A written notice sent by post shall be regarded as having come to the knowledge of the unit-holder on the fifth (5th) day after having been posted or on the day that the notice has been published in a national newspaper appearing in Finland. After coming into effect, amendments to the bylaws shall apply to all unit-holders.

#### 17§ SUPPLYING INFORMATION

The Fund Company has the right to supply information on the unit-holders in compliance with the legislation in force at the respective period of time.

#### 18§ REMUNERATION

Fund Company staff who fall under the scope of the remuneration policy of the Fund Company according to the Finnish Act on Common Funds, shall to the variable part be paid in fund units of the relevant UCITS fund to a minimum of 50 per cent of this variable payment must be paid in fund units.

(This is an unofficial translation of the original text in Finnish.)

