

SILK REAL ESTAT LLC

BYLAWS OF THE SUPERVISORY BOARD

The Supervisory Board (The “**Board**”) of the SILK REAL ESTATE LLC (The “**Company**”) is a governing body created within the Company in accordance with the “Law of Georgia on Entrepreneurs” that controls the activities of the management body and cooperates with it, within the established limits, holds management body accountable for their actions and decisions as prescribed by the charter of the Company, this bylaws and relevant Georgian legislation.

1. COMPOSITION OF THE BOARD

- a) The Board consists of a minimum of 5 (five) and a maximum of 21 (twenty-one) members that are appointed and/or dismissed by the general meeting of partners. The process of nomination of the members of the Board is provided in the Supervisory Board Nomination, Evaluation and Re-evaluation Policy. The members of the Board are elected for 3 (three) year term. The term of the appointment may be extended if deemed appropriate by the general meeting of partners.
- b) The members of the Board are entitled to resign from the Board by at least 4 (four) weeks prior written notice submitted to the chairman of the Board. The chairman resigns by submitting the written notice to the deputy chairman and in the absence of such – to any member of the Board.
- c) The competences and skills of the members of the Board should individually as well as collectively ensure the proper management of the Company's activities and effective risk management. One third of the Supervisory Board, but not less than two members, must have the ability to analyze financial statements and possess relevant experience in financial, economic, auditing and/or other related fields. If the member of the Board cannot perform

the assigned functions or no longer complies with the requirements defined by applicable legislation, the Board must take appropriate measures, including requesting the replacement of the member of the Board and provide relevant information to the National Bank of Georgia. One third of the Board, but not less than two members, must be independent.

- d) The chairman of the Board is elected by the members of the Board. The chairman cannot be a director of the same Company at the same time.
- e) The general meeting of partners must ensure the composition of the Board in a manner that will balance the diversity of opinions. This means appointing members of the board of different genders, skills, qualifications and experience, who have the necessary time, resources, appropriate qualifications, professional experience, appropriate competence and a conscientious attitude towards undertaken responsibilities.

2. THE COMMITTEES OF THE BOARD

- a) The Board is entitled to create committees and determine their composition and scope of responsibilities. Each committee reports to the Board.
- b) Each committee shall have its own charter setting out tasks, procedures, restrictions as well as composition requirements of the committee.
- c) The Company is obliged to have at least an audit committee however it is preferable to establish committees with other functions as well, including risk management, remuneration, nomination, and corporate governance.
- d) The committee must consist of at least 3 (three) members. A member of the Board cannot be a member of more than two committees at the same time. The chairman of each committee is preferred to be an independent member of the Board.
- e) The Board shall appoint members to the committees considering the necessary skills and experience. The committees should encourage objectivity and create an environment for healthy discussion.
- f) The decisions of the committees shall be included in the minutes and provided at request to the entire Board.

3. RESPONSIBILITIES OF THE BOARD

The duties and responsibilities of the Board are as follows:

- a) To monitor the activities of the management.
- b) To adopt, amend, and oversee implementation of the Company's policies and procedures prescribed by law.
- c) To request reports on the performance of the Company including group company reports, to review information on the internal audit service and/or independent auditors' reports.
- d) To inspect the accounting books of the Company, as well as its assets and/or securities.
- e) To inspect the annual reports as well as the profit distribution proposals and to submit the relevant information to the general meeting of the Company.
- f) Other responsibilities prescribed to the Board by relevant applicable legislation.

[აქ ჩავამატოთ როგორ მოიწვევა სამეთვალყურეო საბჭო და კომიტეტები, რამდენი ხნით ადრე, წელიწადში მინიმუმ რამდენჯერ, ვის მიერ. რამდენი ხნით ადრე უნდა იყოს agenda და მასალები და ამას ვინ უზრუნველყოფს. მაგალითად, დირექტორმა და მენეჯმენტმა უნდა გაუგზავნონ მდივანს ყველა მასალა X დღით ადრე და მდივანმა უნდა გაიგზავნოს ბორდის/კომიტეტის წევრებს]

4. MINUTES OF THE BOARD

- a) The Board has decision-making power if at least half of its members are present. If the Board is not capable of making decisions, the chairman and in his absence the deputy chairman can convene a new meeting no later than 8 (eight) days later which will be authorized to make decisions if at least 25% of the members are present.
- b) The decisions are made by simple majority of the votes where each member has one vote.
- c) If the members of the Board consent to the meeting via telephone or video conference, it is allowed to hold such meetings.

- d) The Board shall appoint its corporate secretary who will be responsible for keeping the minutes of the meetings. The responsibilities of the corporate secretary also include coordination of the management and Board and managing the relationship between the Board and its committees.