

Russian Venture Company Seed Fund, Ltd.
INVESTMENT MEMORANDUM

Moscow,
2009

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1. GENERAL

Russian Venture Company Seed Fund (hereinafter also referred to as the "Fund or Company") is established within the framework of implementation of Fundamental Provisions of RVC strategy for the purposes of:

- promoting development of the seed sector of the venture capital industry in Russia;
- promoting formation of a network of Venture Partners for seed funds with the view of maximum involvement of professional managers, experts and business angels in the process of setting-up new technological companies;
- creating conditions for the formation of a steady deal flow to venture funds, including to those set up with an RVC's stake;
- a marked expansion in the number and quality of small technological businesses who will subsequently qualify for investments of venture investors and start-up funds.

This document "Investment Memorandum of RVC Seed Fund, Ltd." (hereinafter also referred to as the "Fund Memorandum") determines:

- basic conditions of the Fund;
- the Fund management;
- investment strategy (policy) of the Fund;
- procedure for implementation of the Fund's investment process;
- investment risks of the Fund;
- reporting procedure, information exchange, as well as procedure for disclosure of information about the Fund activities.

The Fund Memorandum also determines priority areas and parameters of the Fund investment activities.

For the purpose hereof, the investment activities shall mean the Fund activities aimed to organize and conduct transactions related to purchasing of securities / stakes in the authorized capital of seed-stage innovative companies, management of securities / stakes in the authorized capital incorporated into the Fund, as well as management of the Fund's idle cash.

2. TERMS AND DEFINITIONS

For the purpose hereof, the following terms are defined as follows:

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| Seed Fund (Fund, Company) | Russian Venture Company Seed Fund, a limited liability company established in accordance with the legislation of the Russian Federation, whose investment memorandum provides for carrying on investment activities related to purchasing of securities / stakes in the authorized capital of the seed-stage Innovative Companies. |
| Open Joint Stock Russian Venture Company (RVC) | Member 1 (Investor 1) of the Seed Fund. |
| Foundation for Assistance to Small Innovative Enterprises | Member 2 (Investor 2) of the Seed Fund. |
| Seed Fund Venture Partner (Venture Partner) | An organization who has on the staff or has engaged under a civil-law contract a Venture Professional(s) and conducts a business of prospecting and preparation of Innovative Companies for the Fund-backed investments, attracting private investments to the Innovative Companies and potential post-money support of the Portfolio Companies activities with the view to increase their capitalization, as well as who has been registered as a Venture Partner in accordance with the procedure established by the Regulations for the System of RVC Seed Fund Venture Partners and Their Registration Procedure. |
| Innovative Company | An innovative company, who meets the following requirements: <ul style="list-style-type: none">• the time elapsed between the date of the company creation and until the first round investment into its securities (stakes) from the Venture Fund is no more than three years;• the company's total revenue according to the accounting data as at the last four balance sheet date preceding the date of the first round investment from the Venture Fund are no more than RUB 10,000,000 (Ten Million Rubles) (quarter is to be assumed as a period completed by balance sheet date) ;• a certain amount of securities (stakes in the authorized capital) of the company is owned by the project team (persons who enjoy rights to the results of intellectual activity that form the basis of the company's business |

model and who transfer their rights to use such results of the intellectual activity to the company);

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| Investment Project (Project) | A set of documents concerning an Innovative Company (Innovative Company project) in the form prescribed by the Regulations for the System of RVC Seed Fund Venture Partners and Their Registration Procedure prepared and submitted by a Venture Partner to the Fund with a view to encourage the Fund investments. |
| Portfolio Company | An Innovative Company whose securities / stakes in the authorized capital were acquired by the Fund. |
| Preliminary Analysis | A set of actions undertaken by a Venture Partner to review and assess an Innovative Company (Innovative Company project) in terms of the investment attractiveness, market and technological soundness of the Innovative Company (Innovative Company project). |
| Due Diligence Review of the Project | <p>A set of actions aimed to carry out a professional analysis and assessment of an Innovative Company (Innovative Company project), to prepare a report on the Innovative Company (Innovative Company project), its investment attractiveness and reliability of the submitted information, including but not limited to:</p> <ul style="list-style-type: none">– a scientific, technical and economic expert examination;– evaluation of financial position of the Innovative Company;– analysis of the personnel, organizational-legal status, as well as legal aspects of business activities of the Innovative Company;– study of the Innovative Company relationship with the intellectual property owners, company promoters (in some cases, with the suppliers and buyers of the company products);– assessment of the Innovative Company's adherence to the terms of agreements with the contracting parties. |
| Innovative Company Transaction (Transaction) | A transaction involving the Fund's purchase / sale of Innovative Company stakes in the authorized capital / securities. |
| Investment Committee (Fund's IC) | A collegial executive body of the Fund that approves transactions in the Fund assets whose terms of reference and formation procedure are determined by the Fund's constituent instrument and by the Articles of the Fund's Executive Board. |

3. BASIC CONDITIONS OF THE FUND

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| Location of the Fund | 1 bldg 75B, Leninsky Gory, Moscow, 119992, Russian Federation. |
| Amount of the authorized capital of the Fund | RUB 2,000,000,000 (Two Billion Rubles) |
| Investment period of the Fund | The planned period of time during which the Fund is supposed to actively invest the Fund's original capital is six (6) years. Upon the expiration of said period, investors may consider reinvesting the Fund's capital. |
| Operation life of the Fund | The Company is established for an indefinite duration. |
| Distribution of the Fund profits | <p>In accordance with the provisions of the Federal Law "On Limited Companies," the Company plans to distribute net profits of the Fund by a resolution of the Company members (Fund Investors) on a quarterly, semi-annual or annual basis.</p> <p>For the purpose of this Memorandum, proceeds from the Fund management are defined as the Company's net profit received from the disposal of the Fund's investment objects provided by this Memorandum and calculated in accordance with the Tax Code of the Russian Federation.</p> |
| Discontinuing conditions | The Fund shall terminate its activities based on a resolution of the Company members discontinuing the Fund and on other grounds as provided by the Russian Federation laws. |
| System of the Fund Venture Partners | With a view to ensuring an effective deal flow of the Fund and management of the Fund portfolio companies, it is planned to make the best use of the system of Venture Partners of the Fund formed on the terms and conditions provided by the Regulations for the System of Venture Partners of Russian Venture Company Seed Fund and Their Registration Procedure. |
| Attraction of outside investors to the Fund | Members of the Fund may consider a question of increasing the authorized capital of the Fund for the account of outside investors or buying-out of the stakes of the Fund members by outside investors within the time limit and subject to the conditions agreed upon by the parties. |

4. INVESTMENT POLICY (STRATEGY) OF THE FUND

The objective of the Fund's investment policy is to profit from the investments of the Fund capital.
The investment strategy of the Fund is to invest the Fund's capital into securities and stakes in

authorized capitals of Russian business companies qualifying as seed-stage Innovative Companies.

Specialization of the Fund

The Fund's specialization in investments into seed-stage Innovative Companies

For the purpose of organization of the Fund's investment process, the Fund may incorporate only securities / stakes in authorized capitals of Innovative Companies.

Sectors of the Fund specialization

For the purpose of organization of the Fund's investment process, the Fund's capital may be invested only in Innovative Companies whose activities conform to one or more of the development priorities of science, technology and engineering of the Russian Federation, and/or whose products are on the List of Critical Technologies of the Russian Federation.

Investment restrictions

The Fund may not incorporate securities (stakes in authorized capitals) of Innovative Companies engaged in one of the types of activity listed below:

- 1) Production and distribution of alcoholic beverages, tobacco products, erotic products;
- 2) Organization and holding of gambling games;
- 3) Mining, production and processing of useful minerals and energy products, generation and distribution of electricity, except for the development and/or utilization of new highly efficient and/or environmentally friendly technologies and methods of minerals processing, energy generation and transmission;
- 4) Production of consumer goods other than new and/or existing products developed with the use of innovative technologies;
- 5) Capital construction, operations with commercial, industrial and residential real estate, except for the development of new building methods and building materials and except when such construction and real estate business are conducted with the view of creating and developing a resource base for production of innovative goods and services.

Investment instruments

Investment instruments of the Fund may include any legal and financial terms of Transactions permitted by the applicable legislation of the Russian Federation, including but not limited to the following:

- purchase / sale of shares / stakes in authorized capitals of Russian joint stock and limited liability companies;
- purchase / sale of promissory notes of Russian joint stock and limited liability companies;
- purchase / sale of bonds of Russian joint stock and limited

liability companies;

- placement of money on accounts and in deposits with credit institutions of the Russian Federation.

Investment environment / structure of Transactions

Clause allowing admission of Investment Projects solely from the Fund Venture Partners Within the framework of the investment process, the Fund shall consider Investment Projects presented exclusively by the Fund Venture Partners registered in accordance with the Regulations for the System of Russian Venture Company Seed Fund Venture Partners and Their Registration Procedure.

Conditions for co-investment of the Fund's capital jointly with a private investor The Fund shall meet no more than 75% of the Innovative Company's first-stage investment requirements in the amount not exceeding RUB 25,000,000 (Twenty Five Million Rubles).

A private investor shall meet at least 25% of the Innovative Company's first-stage investment requirements. Said investment contribution of any private investor shall be allowable only in cash.

Conditions for investment of the Fund's capital in an Innovative Company The terms of any transaction related to granting investments to any Innovative Company shall comply with the following main criteria:

- The Innovative Company shall be established in the form of a limited liability company or a joint stock company and incorporated in accordance with the current legislation of the Russian Federation not earlier than three years before the date of the tender offer of the company securities / stakes in the authorized capital to the Fund.
- The Innovative Company shall carry out (contemplate to carry out) activities that conform to the development priorities of science, technology and engineering of the Russian Federation and/or whose products / services are on the list of critical technologies of the Russian Federation approved by the Russian Federation President and/or conform to the Investment Memorandum of the Fund.
- The Innovative Company attracts investments with the view of purchasing, creating, manufacturing and promoting of a commercial version of an innovative product/service.
- The members (shareholders) of the Innovative Company holding a particular fraction of securities / stakes in the authorized capital of the Innovative Company shall be natural persons who are directly on the project team, i.e. persons who are holders of the rights to the results of intellectual activity that form the basis of the business model of the Innovative Company (the Key Participants) and/or legal entities under control of the Key Participants.

- The authorized capital of the Innovative Company shall be paid-up by the members (shareholders) of the company in full; the members shall be out of arrears of paying up the authorized capital / making additional contributions to the authorized capital of the Innovative Company, unless otherwise provided by the constituent instruments of the Innovative Company.
- The Key Project Participants and/or legal entities under control of the Key Participants shall be on employment and/or civil-law contracts with the Innovative Company or its other members, which contracts shall provide for the transfer of the rights to the results of intellectual activity that form the basis of the business model of the Innovative Company for the benefit of the latter.
- The Innovative Company shall hold the rights (or intend to take required steps to gain the rights) to the results of intellectual activity within the scope necessary and sufficient for the legitimate use of the technology claimed in the Investment Project during the process engineering and sale of the product (service) both in the territory of the Russian Federation and in the territory of other states (if the Investment Project so provides).
- All property and property rights of the Innovative Company (including intellectual property objects), as well as securities / stakes in the authorized capital of the company shall be free and clear of all arrests, restrictions, charges, pledges, liens, options, interests of creditors, purchase rights, pre-emption rights or other similar rights, liabilities, suits or claims (third-party rights) that are left out of and are not described in the structure of the Transaction offered to the Fund.
- No member of the Innovative Company has applied for its withdrawal from the company membership and/or for payment thereto of the fair market value of its share in the authorized capital of the company.
- The Articles of Association of the Innovative Company in effect on the date of closing of the Transaction shall contain provisions limiting the right of withdrawal from the membership (shareholders) of the Innovative Company.
- No member of the Innovative Company shall have any other ancillary / special rights and/or duties with respect to the Innovative Company than directly specified in the Articles of Association of the Innovative Company.
- The Innovative Company shall be a continuing legal entity in the territory of the Russian Federation and shall not be in the

process of reorganization or liquidation (or bankruptcy); and neither the Innovative Company nor competent authorities took any decisions on the Innovative Company reorganization or liquidation (or bankruptcy).

- There shall be no facts that the chief executive officer, his deputies, chief accountant or other persons authorized to sign for the Innovative Company have committed any economical offence.
- The Innovative Company shall have no debts or liabilities other than debts or liabilities shown in the financial statements and accounts and presented in the Investment Project.
- The Innovative Company's revenues according to the accounting data for the last four quarters preceding the date of the proposal to incorporate its participatory securities / stakes in the authorized capital into the Fund shall be no more than RUB 10,000,000 (Ten Million Rubles).
- Neither the Innovative Company nor its members (shareholders) shall be sureties for any liabilities that are left out of and are not described in the structure of the Transaction offered to the Fund; or the Innovative Company and its members (shareholders) have submitted full information about all their obligations arising out of their contracts of suretyship.
- Neither the Innovative Company nor its members (shareholders) shall be defendants in any court proceedings or the Innovative Company and its members (shareholders) have submitted full information about the facts of participation in all court proceedings as defendants.
- The Innovative Company may implement (or plan to implement within a specified time limit) measures for retaining the key personnel (including but not limited to option plans and other incentive programs, prohibition of competition in case of termination of employment, confidentiality program, etc.).
- Members (shareholders) of the Innovative Company may undertake not to sell or otherwise dispose of their securities / stakes in the authorized capital of the Innovative Company without the consent of the Fund during a certain period of time after the date of consummation (closing) of the Transaction.
- In the event that the Fund sells its securities / stakes in the authorized capital of the Innovative Company to third parties, the Fund may have a drag-along right with respect to the members of the Innovative Company stipulated by the operating agreement. In this case, the members (shareholders)

Special rights and/or authority with respect to an innovative company and/or its securities (stakes)

will have a priority right to redeem securities / stakes of the Innovative Company owned by the Fund at the price offered by such third parties in proportion to the securities / stakes already held by the members (shareholders).

- In the event that the members (shareholders) of the Innovative Company sell their securities / stakes to third parties, the Fund may have a tag-along right stipulated by the operating agreement.
- Members (shareholders) of the Innovative Company may have an option of redemption of the Fund's securities / stakes in the authorized capital of the Innovative Company stipulated by the operating agreement not sooner than after a certain period of time past the date of the Fund's acquisition of the securities / stakes in the authorized capital of the Innovative Company or subject to other conditions agreed by the parties during the consummation of the Transaction.

Distribution of investments in time (investment tranches)

The Fund may, if so provided by the terms of the Transaction, make investments in any Investment Project by tranches. The tranche periods may be conditional upon the Portfolio Company's attainment of agreed financial and/or economic and/or organizational milestones.

Strategy of exit from Portfolio Companies

The Fund investment activities are aimed to maximize the value of Portfolio Companies. The Fund will plan exit from investments taking into account interests of all members of the Innovative Company.

Conditions for reinvestment into any company

The Fund shall consider different scenarios of the Investment Project development. The Investment Committee of the Fund may decide to earmark additional funds to be invested in any Portfolio Company at a later round and may intend their use to facilitate the growth of the Portfolio Company's market value.

Profile of the Fund's assets

Upon the expiration of three years from the date of completion (last date) of the Fund formation, the number of Innovative Companies whose securities / stakes in authorized capitals make up the Fund's property shall be at least fifteen.

Application of the Fund's idle cash

With a view to ensuring effective use of the Fund's assets, as well as its finances and business stability, the Fund's idle cash may be placed on deposits with credit institutions of the Russian Federation.

The criteria for selection of credit institutions and the procedure for placement of the funds shall be approved by the Board of Directors of the Company.

5. FUND MANAGEMENT

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| Form of incorporation | RVC Seed Fund is established in the form of a limited liability company: Russian Venture Company Seed Fund, Ltd. |
| Fund Investors | <p>In accordance with the provisions of the Seed Fund Concept, the Fund Investors are:</p> <p>Investor 1:</p> <p>Russian Venture Company</p> <p>99%..... RUB 1,980,000,000</p> <p>Investor 2:</p> <p>Foundation for Assistance to Small Innovative Enterprises</p> <p>1%.....RUB 20,000,000</p> |
| Fund Management | <p>The Fund shall take investment decisions proceeding from the Fund's criterion of the best risk / return ratio.</p> <p>The investment activities of the Fund shall be managed by the General Meeting of the Company Members, the Board of Directors of the Company, the Investment Committee of the Fund (the Management Board of the Company) and the Company Director within their terms of reference in accordance with the Articles of Association of the Company, internal documents of the Company and legislation of the Russian Federation.</p> <p>The management bodies of the Fund shall act reasonably, in good faith and in the best interests of the Company Members.</p> <p>The Company shall make transactions with assets comprising the Fund on its behalf and for its own account.</p> <p>The conditions of the Company's participation in the management of Innovative Companies shall be the terms of Transactions with such Innovative Companies. The Company may exercise all rights certified by securities (rights of holders of securities / stakes in the authorized capitals of Innovative Companies) that comprise the Fund's assets.</p> <p>Generation of a deal flow and rendering of professional support to Portfolio Companies of the Fund are planned to be provided in conjunction with the system of registered Venture Partners whose responsibility shall include prospecting for Investment Projects, project preparation for presentation to the Company, rendering of post-money support (professional support) to the Portfolio Companies.</p> |

Fund management expenses

The Fund may pay the following expenses incidental to its management:

- 1) expenses incidental to payment for the Investment Projects review, Due Diligence, including various kinds of expert reviews, auditing of accounts and legal review of constituent instruments as well as business activities review of the companies whose securities / stakes in the authorized capital are purchased by the Fund;
- 2) current expenses of the Fund (including those, which occurred during the period from the date of establishment till the registration date) required to support the Fund's operation, including rent charges, remuneration of the Fund employees, expenses for the support and facilitation of the Fund investment activities as well as management of the Fund portfolio;
- 3) payment for outsourced services related to transactions involving the Fund's property;
- 4) payment for services of credit institutions incidental to opening and usage of bank account(s), including payment for using electronic documents when operating on said account(s);
- 5) expenses incidental to the exercise of rights certified by securities and/or stakes in authorized capitals of companies acquired by the Fund;
- 6) fees of the Fund auditor, advisers and experts;
- 7) expenses incidental to effecting compulsory payments prescribed by the laws of the Russian Federation with respect to the Fund's assets or related to dealing with such assets;
- 8) expenses for securing normal operation and protection of the property used by the Fund and for other actions connected with the implementation of the Fund authorized activity.
- 9) expenses arising in connection with the Fund's participation in litigations as a plaintiff, a defendant or a third party in court proceedings on claims related to the management of the Fund's assets, including legal expenses and stamp duty paid by the Fund;
- 10) expenses incidental to notarial certification of true copies of documents and the authenticity of the signatures on documents required for exercising management of the Fund's assets, as well as notarial certification of transactions involving the Fund's assets or transactions involving the Fund's acquisition of assets that require such certification;

11) expenses incidental to the preparation, convocation and holding of a general meeting of the Company members, a meeting of the Board of Directors of the Company, a meeting of the Management Board of the Company (Investment Committee of the Fund).

The annual rate of expenses planned to be paid from the Fund's assets shall be approved by the Board of Directors of the Company.

6. INVESTMENT RISKS OF THE FUND

Investing in securities / stakes in authorized capitals of seed-stage Innovative Companies is associated with a high risk, offer no guarantees - neither with respect to the recovery of the principal amount invested, nor with respect to the acquisition of any return thereon.

For the purpose of this description, the risk in carrying out investment operations shall be understood as a possibility of occurrence of an event that entails losses for the investor.

The Fund will implement programs for minimization of risks incidental to investing in seed-stage companies for the account of conducting the Due Diligence on Innovative Companies.

The value of objects of the Fund's investments may increase and decrease. Statements of any persons as to any future increase in the value of the Fund's investment objects may be regarded only as speculations.

This description of risks reveals information concerning only some of them due to the diversity of situations occurring during investing. In the most general form, the concept of risk is incidental to a possibility of positive or negative departure of the operating result from the anticipated or target values, i.e. the risk characterizes the uncertainty of deriving an anticipated fiscal effect from the investment activity.

The investor inevitably runs into a necessity to take into account the risk factors of the most different nature. The risks of investments in securities /stakes in authorized capitals of companies include but are not limited to the following risks:

- 1) political risks and economical risks associated with the possibility of a change in the political situation, expropriation, nationalization, pursuing of the policy aimed at the restriction of investments in the branches of economy which are a sphere of special interests of the state, a fall in prices for energy resources and other circumstances;
- 2) a systemic risk associated with the inability of a large number of financial institutions to meet their obligations. Systemic risks include the banking system risk;
- 3) the market risk associated with fluctuations in the exchange rates, interest rates, prices of financial instruments as well as price risk over commodities market;
- 4) the price risk which manifests itself as a change in the prices of securities / stakes in the authorized capital of business companies, which can cause a reduction in the value of the Fund's assets;
- 5) the risk of wrongful acts with respect to the securities on the part of third parties;
- 6) the credit risk associated, in particular, with a possibility of default on the assumed

- obligations on the part of issuers and contracting parties to transactions;
- 7) the market liquidity risk associated with a potential impossibility to dispose of assets at favorable prices;
 - 8) the operational risk associated with a possibility of any malfunction of the equipment or software used during transaction processing, wrong actions or omissions of the staff of organizations participating in settlements or custody business and other circumstances as well as risks of direct or indirect losses resulting from improper business processes scheme, inefficient internal check procedure, technological failure, unauthorized staff activity or external influence;
 - 9) the risk associated with changes in the current legislation;
 - 10) the risk of force majeure, such as natural calamities or military operations.

7. DISCLOSURE OF INFORMATION, REPORTING AND INFORMATION INTERACTION

Disclosure of information about the Fund activities

The Fund shall carry out its investment activities openly. Information about the Fund-backed Investment Projects, as well as information about the Company activities shall be subject to disclosure by a method that provides for the availability of said information to any number of unspecified persons.

Information about Portfolio Companies shall be disclosed in accordance with the procedure established by the applicable law of the Russian Federation, as well as the operating agreements of such Portfolio Companies.

The Company Members will make all reasonable efforts required to protect confidential information received within the framework of the information interaction with the Company against unauthorized disclosure to third parties. The Company Members and the Company plan to take measures to protect confidential information / commercial secrets and to make rules for handling confidential information, including that, which connected with intellectual property.

Reports to the Fund Members (Investors)

The Company shall furnish additional reports to its Members that give a full view of the status of the Fund's investment portfolio:

- Reports about the portfolio structure and assets incorporated into the Fund;
- Reports about the Portfolio Companies' attainment of their business plan milestones.

On the requisition of its Members, the Company may provide the following information:

- balance of assets incorporated into the Fund, accounting

- balance sheet and profit and loss account of the Company;
- reports of the auditor(s) and assessor(s) of the Company;
- other information subject to disclosure in accordance with the current legislation of the Russian Federation.

The information specified in this clause shall be provided to the Company members as and when agreed upon by the Fund Investors.

Information Interaction

The Fund shall convey information between the participants in the investment process aimed at:

- An effective and high-quality performance analysis of the Fund and its Portfolio Companies and Venture Partners performed on a periodic basis and as requested by the Fund;
- The Fund's ability to organize promotion of the Fund Portfolio Companies, their goods, services and technologies in the Russian and foreign markets;
- Dissemination and application of best practices in the sphere of the innovative technology enterprising.