

REGULATIONS
for the System of Venture Partners of
Russian Venture Company Seed Fund
and Their Registration Procedure

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INTRODUCTION

The present Regulations for the System of Russian Venture Company Seed Fund Venture Partners and Their Registration Procedure (hereinafter the Regulations) have been elaborated in accordance with the current legislation of the Russian Federation, the Articles of Association of Russian Venture Company Seed Fund, the Articles of Association of RVC, Principles of RVC's Investment Policy and pursuant to a Resolution adopted by the Board of Directors of RVC (Minutes No. 2, dd. June 08, 2009).

1. TERMS AND DEFINITIONS

For the purpose of the present Regulations, the following terms are defined as follows:

Russian Venture Company Seed Fund (Fund)	Russian Venture Company Seed Fund, a limited liability company established in accordance with the legislation of the Russian Federation, whose investment memorandum provides for the purchase of securities of / shares in seed-stage Innovative Companies.
Open Joint Stock Russian Venture Company (RVC)	The co-founder of the Seed Fund.
Venture Partner of the Seed Fund (Venture Partner)	An organization which has on its staff, or has engaged under a civil-law contract a Venture Professional(s) and which conducts a business of prospecting for Innovative Companies and preparing them to be invested in by private investors and the Fund, as well as to receive potential post-money support of the Portfolio Companies business with the view to increase their capitalization, as well as which has been registered as a Venture Partner in accordance with the procedure established by these Regulations.
Venture Partner Originator (Originator)	An organization or an executive body of a constituent territory of the Russian Federation interested in the development of the innovative technology business in a particular sector and/or area, promoting the formation and/or activities of the Venture Partner by way of providing financial and other resources thereto for the purposes of prospecting for, selecting, investing private capital in, and extending post-money support to Innovative Companies.
Venture Capital Professional (Venture Professional)	An individual who has entered into employment (civil law) relations with the Applicant (Venture Partner), is competent and has operational experience in priority areas of science and engineering of the Russian Federation and/or private equity and/or venture capital, and who, as per his/her job description or contract, is entitled to: <ul style="list-style-type: none">– analyze and screen Innovative Companies whose securities / shares are to be acquired by the Fund;– work out mandatory conditions of Transactions with Innovative Companies and submit them to the Investment Committee of the Fund;

- participate in the management bodies of the Portfolio Companies;
- act to add value to Portfolio Companies with a view to securing a positive return to the Fund.

Innovative Company	<p>A business company established in accordance with the requirements of Russian law to meet the following criteria:</p> <ol style="list-style-type: none"> (1) the time elapsed between the date of the state registration of the company under Russian law and the moment its securities / stakes in its authorized capital were proposed to be acquired by the Fund is no more than three years; (2) the company's total revenue, as per its accounting reports over the last four quarters preceding the date when its securities / stakes in its authorized capital were proposed to be acquired by the Fund is no more than RUB 10,000,000 (Ten Million Rubles); (3) a certain amount of shares / stakes in the authorized capital of the company is owned by Key Project Participants; (4) the company's business is in line with the development priorities of science, technology and engineering of the Russian Federation, the list of critical technologies of the Russian Federation and/or the Regulations of Russian Venture Company Approach for Investment Policy and Russian Venture Company Seed Fund Investment Memorandum; (5) the company mobilizes investment with the view of acquiring, creating, manufacturing and promoting a commercial version of an innovative product/service.
Key Project Participants	<p>Persons who enjoy the rights to the results of intellectual activity that form the basis of the business model of an Investment Project (Innovative Company) and who have transferred their rights to use such results of intellectual activity as a contribution to the authorized capital of the Innovative Company.</p>
Investment Project (Project)	<p>A set of documents concerning an Innovative Company (Innovative Company project) in the form prescribed by these Regulations, prepared and submitted by a Venture Partner to the Fund to attract its capital.</p>
Portfolio Company	<p>An innovative company whose securities / stakes in the authorized capital were acquired by and incorporated into the Fund.</p>
Preliminary Analysis	<p>A set of actions undertaken by a Venture Partner to review and assess an Innovative Company (Innovative Company project) in terms of its investment attractiveness, market and technological feasibility of the Innovative Company (Innovative Company project).</p>
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 the financial position of the Innovative Company;
- analysis of the HR, procedural and institutional status of the company, 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 (Executive Board of the Fund, 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/or by the Articles of the Fund's Executive Board.
Applicant	An organization applying the Fund for the registration as a Venture Partner.
Venture Partner Registration (Re-registration) Application (Registration (Re-registration) Application)	An application for a Venture Partner to be registered (re-registered) prepared and executed as required by these Regulations.
Venture Partner Registration (Registration)	An act of the Fund's recognition and acknowledgment of a legal entity's acquiring a status of a Venture Partner of the Seed Fund implemented by making an entry to that effect in the Register of the Seed Fund Venture Partners.
Register of the Fund Venture Partners	A list of registered Venture Partners of the Seed Fund.
Commission for Registration of the Seed Fund Venture Partners (Registration Commission)	A collegial body formed by the Fund Director order from among the Fund employees with possible engagement of RVC staff and independent experts, whose objects include examination of Applications for Registration, making a decision about possibility of registration an Applicant as a Venture Partner of the Seed Fund.

2. GENERAL

- 2.1. Registration of the Seed Fund Venture Partners shall be carried out with a view to ensuring an efficient investment process of the Fund.
- 2.2. These Regulations establish a procedure for registration of legal entities conducting business as Venture Partners, their powers, business environment, a procedure for the supervision over the compliance with the conditions for such registration, as well as regulate other matters concerning operation of the Venture Partners.
- 2.3. The basic principles of the Venture Partners system operation and the procedure for their registration shall be as follows:
 - 2.3.1. Publicity: information about the registration procedure, whether any Venture Partner's Registration is valid shall be publicly accessible on the Fund's and / or RVC's website.
 - 2.3.2. Accessibility: the number of registered Venture Partners shall be unlimited and may vary in accordance with the procedure established by these Regulations.
 - 2.3.3. Voluntary association: persons conducting business as Venture Partners may decide on their own behalf whether they need to register or deregister.
 - 2.3.4. Self-sufficiency: every Venture Partner shall conduct its business at its own expense and shall bear all risks associated with the implementation of its business objectives stipulated by its constituent instruments.
- 2.4. Conducting of the Registration, supervision over the compliance with the Registration conditions, suspension and termination of the Registration shall be effected by the Fund in association with RVC or a person authorized by the Fund.

3. VENTURE PARTNER GOALS AND OBJECTIVES

- 3.1. To use its professional experience in VC investments and relationship with market players with a view of intensification of investment activities on the innovative technology market, market promotion of advanced innovative-technology goods, products and services.
- 3.2. To develop skills and expertise in the venture project management based on the mutually beneficial cooperation with participants in the Fund's investment process.
- 3.3. To increase the volume of private investments in venture projects.
- 3.4. To provide for a sustained growth and development of the Fund-backed Innovative Companies.
- 3.5. To maximize the capitalization and profits of the Fund Portfolio Companies.

4. FUNCTIONS OF THE REGISTERED VENTURE PARTNER

- 4.1. To meet its objectives on the back of cooperation with other parties to an investment process, every registered Venture Partner shall perform the following functions:
 - 4.1.1. To prepare an Investment Project and to submit it to the Fund in the form of a ready-to-conduct Transaction containing all conditions for interaction of the Portfolio Company members as a set and in the manner prescribed by these Regulations;
 - 4.1.2. To provide for the negotiation process with Innovative Companies with the view of stipulating the optimum terms of Transactions, as well as to stipulate binding terms of Transactions with Innovative Companies and to provide for their submission to the Fund as part of the Investment Project;
 - 4.1.3. To provide for the existence and proper submission to the Fund of firm commitments of a private investor to invest cash into an Innovative Company in the amount of at least 25% of the first-stage cash investment requirements;
 - 4.1.4. To carry out preliminary analysis of an Innovative Company (Innovative Company project) and to submit the results of the preliminary analysis to the Fund as part of the Investment Project;
 - 4.1.5. To assist the Fund in conducting the due diligence review and to submit further information about the Investment Projects and Portfolio Companies as requested by the Fund;
 - 4.1.6. To render the post-money support to the Portfolio Companies activities in cases stipulated by the terms of Transactions;
 - 4.1.7. To organize acquisition of required information and data about the Portfolio Companies activities and submitting it to the Fund with a view to enable effective control over the implementation of the Portfolio Companies business plans and milestones on the part of the Fund in accordance with the operating agreement and terms of the Transaction;
 - 4.1.8. To assist the Fund and/or other members of the Portfolio Company in organization of the exit from the Portfolio Companies;
 - 4.1.9. To establish conditions for the Fund's enforcement of rights and responsibilities of a member of the Portfolio Company, including for participation of appointed representatives in the Portfolio Company management bodies;
 - 4.1.10. To contribute suggestions concerning holding of additional rounds of investments in Portfolio Companies;
 - 4.1.11. To inform about the activities held by the Venture Partner with the view of expanding contacts between the market players, improving the quality and increasing the number of investment transactions.

5. PROCEDURE FOR REGISTRATION OF VENTURE PARTNERS

- 5.1. Conditions for Applicants Registration shall be as follows:
 - 5.1.1. The Applicant must have at least one Venture Professional, as evidenced by the Venture Partner's Memorandum and appendices thereto, as well as by copies of agreements / contracts with the Venture Professional.
 - 5.1.2. The Applicant must submit to the Fund all documents required for its registration or re-registration as provided by these Regulations.
 - 5.1.3. The Applicant must submit documents in support of the Applicant's payment of the Venture Partner registration / re-registration fee.
- 5.2. The Fund shall receive and consider Applications for Registration of any Venture Partner / Applications for Re-registration of any Venture Partner in return for a fee.
 - 5.2.1. The fee for services incidental to carrying out the procedure for a person registration as a Venture Partner shall be RUB 50,000 (Fifty Thousand Rubles);
 - 5.2.2. The fee for services incidental to carrying out the procedure for a person re-registration as a Venture Partner shall be RUB 40,000 (Forty Thousand Rubles);
 - 5.2.3. In the event that during the current year (dated from the Venture Partner registration) the Fund's Investment Committee approves and partly invests to an Investment Project of the Venture Partner, next year such Venture Partner shall be exempted from paying the re-registration fee.
- 5.3. The Fund shall be entitled to delegate its powers, rights and responsibilities with respect to carrying out the Venture Partner registration / re-registration procedure to authorized organizations, its subsidiaries and/or affiliates.

Venture Partner Registration

- 5.4. For Registration, the Applicant shall submit to the Fund a Letter of Application in the form attached as Appendix No. 2 to these Regulations and enclose other documents specified in Regulation 5.5 hereof. The Applicant may additionally attach other documents to its application which, in its opinion, may testify to its competence in exercising the Venture Partner functions.
- 5.5. The Application for Registration of a Venture Partner shall include the documents listed below according to the appendices to these Regulations under the hand of authorized persons and the seal of the Applicant:
 - A record statement in the form attached as Appendix No. 1 to these Regulations;
 - A Letter of Application in the form attached as Appendix No. 2 to these Regulations;
 - An information card of the Venture Partner in the form attached as Appendix No. 3 to these Regulations;
 - An information card of the Applicant's Originator in the form attached as Appendix No. 5 to these Regulations (to be submitted where the Applicant's Originator exists);

- A Memorandum of the Venture Partner in the form attached as Appendix No. 4 to these Regulations;
 - A document supporting the Venture Partner's undertaking to ensure private investments in the Innovative Company that seeks for the Fund's cash and disclosing information about the sources of such private investments;
 - A document in support of the Applicant's payment for the services incidental to carrying out by the Fund the procedure for a person registration as a Venture Partner according to the Details of the Fund.
- 5.6. The Fund Director shall appoint a Commission for Registration of Venture Partners (hereinafter referred to as the "Commission") from among the Fund employees with possible engagement of RVC staff, whose functions shall include to receive Applications, to carry out the Applications review procedures, to express an opinion whether there are good reasons to register or refuse to register any Venture Partners.
- 5.6.1. For carrying out the Applications review and registration procedures, the Fund shall have the right to engage independent experts, including those on a fee paid basis.
- 5.6.2. During preparation of its opinion advising to register or refuse to register any Applicant, the Commission shall be guided by the provisions of these Regulations, the best practice of the VC market and innovative technology enterprising market, principles of open market competition, economic feasibility and efficiency.
- 5.7. The Fund and / or RVC shall announce the commencement of the Applications reception in mass media and on RVC's and / or the Fund's website.
- 5.8. The grounds for the refusal to register any Applicant shall include:
- failure to submit full set of documents required for passing the Registration in accordance with these Regulations;
 - submission of the Application executed in the manner other than prescribed by these Regulations;
 - deliberate misrepresentation in the Application documents;
 - there is information from taxation, law enforcement and other supervisory bodies about violations of the Russian Federation law committed by the Applicant in the course of the year preceding the current year;
 - the Applicant's failure to comply with the requirements of these Regulations.
- 5.9. Within no more than thirty (30) days from the date of the Application reception, the Fund shall take a decision based on the Commission's opinion whether to register or refuse to register the Applicant as a Venture Partner. During the period of the Application review, the Fund shall have the right to check credibility of information contained in the documents submitted for the Registration.
- 5.10. The Fund shall advise the Applicant of its decision to decline the Applicant's Registration as a Venture Partner and give the reason for such a decision in writing (by means of mail and/or facsimile service) within five (5) business days from the date of making such a decision.

- 5.11. In the event of deciding to register the Applicant as a Venture Partner:
- 5.11.1. The Fund shall advise the Applicant of making such a decision within no more than five (5) business days from the date of deciding to register the Applicant;
 - 5.11.2. Not later than ten (10) business days from the date of deciding to register the Applicant, the Fund shall issue to the Applicant's authorized representative or send by mail thereto a Certificate of the Applicant's Registration as a Venture Partner (in the form attached as Appendix No. 6 to these Regulations);
 - 5.11.3. The Fund undertakes to make an entry to that effect in the Register of the Fund Venture Partners;
The Register of Venture Partners shall be subject to disclosure, to the extent prescribed by these Regulations, on RVC's and/or the Fund's website.
- 5.12. The Venture Partner registration shall bear the date of the pertinent entry in the Register of the Fund Venture Partners.

Register of the Fund Venture Partners

- 5.13. The Register of the Fund Venture Partners shall contain the following particulars and documents concerning the Venture Partner:
- the full and abbreviated (if any) name of the Venture Partner, including business name for profit-making organizations in the Russian language;
 - form of incorporation;
 - address (location) of the continuing executive body of the legal entity; Internet address, telephone / facsimile number.
 - notarized copies of the certificate of incorporation;
 - full name and position of the person authorized to act on behalf of the legal entity without a power of attorney, as well as passport information of such person or data from other identity documents as required by law of the Russian Federation;
 - full name of the Venture Professional(s), passport information of such person или data from other identity documents as required by law of the Russian Federation.
- 5.14. Subject to disclosure on RVC's and/or Seed Fund's website shall be the following Register information about any Venture Partner:
- the full and abbreviated (if any) name of the Venture Partner, including business name for profit-making organizations in the Russian language;
 - form of incorporation;
 - address (location) of the continuing executive body of the legal entity; Internet address, telephone / facsimile number.
- 5.15. The Venture Partner's Registration shall be valid for one year from the date of the pertinent entry in the Register of the Fund Venture Partners.
- 5.16. The Venture Partner's Registration may be suspended or terminated in accordance with these Regulations.

Procedure for the Execution and Issuance of the Venture Partner Registration Certificate

- 5.17. The Venture Partner Registration Certificate shall be a document that bears evidence of the registration of the Fund Venture Partner. The Certificate of Registration of the Fund Venture Partner shall be in the form of Appendix 6 hereto under the hand of the Director of the Fund (failing whom an authorized representative) and under the seal of the Fund.
- 5.18. The form of the registration certificate shall have an identification series and number.
- 5.19. The Fund shall give a notice of the Venture Partner registration to the Applicant in which RVC shall advise the Applicant of the necessity to receive the Certificate of Registration of the Fund Venture Partner within ten (10) business days from the date of receipt of such notice.
- 5.20. If any registered Venture Partner fails to receive the Certificate of Registration of the Fund Venture Partner within a specified period of time, the Fund shall send the Registration Certificate by certified mail, return receipt requested, at the address specified in the Registration Application.

Venture Partner Re-registration Procedure

- 5.21. The Venture Partner's Registration may be renewed based on the Venture Partner's Application which shall be filed with the Fund not later than thirty (30) business days before its expiration date.
- 5.22. The Venture Partner's re-registration shall be conditional upon the Applicant's conformity to the Registration conditions and Venture Partner qualifications stipulated by these Regulations.
- 5.23. For re-registration, the Venture Partner shall, not later than thirty (30) business days before the expiration of the Registration period, submit to the Fund the following documents:
 - A letter of application for re-registration in the form attached as Appendix No. 2;
 - A document in support of the payment of the Venture Partner re-registration fee according to the Details of the Fund;
 - A document supporting the Venture Partner's undertaking to provide for attracting the necessary amount of private investments in the Innovative Companies that seek for the Fund's cash;
 - A Memorandum of the Venture Partner (to be submitted in case of any changes in the information furnished in the Venture Partner Memorandum earlier during the Registration) in the form attached as Appendix No. 4 to these Regulations.
- 5.24. In the event that the set of submitted documents required, according to these Regulations, for making a decision on the renewal of the Registration is incomplete or the submitted documents are executed in the manner other than prescribed herein, the Fund shall have the right to request the necessary documents from the Applicant or to decline its re-registration.
- 5.25. In the event that during the current year (dated from the Venture Partner registration) the Fund's Investment Committee approves and partly invests to at least one Investment Project of the Venture Partner, next year such Venture Partner shall, not later than thirty (30) business days before the expiration of the Registration period, submit to the Fund the following documents:
 - A letter of application for re-registration in the form attached as Appendix No. 2;

- A document supporting the Venture Partner's undertaking to provide for attracting the necessary amount of private investments in the Innovative Companies that seek for the Fund's cash;
 - A Memorandum of the Venture Partner (to be submitted in case of any changes in the information furnished in the Venture Partner Memorandum earlier during the Registration) in the form attached as Appendix No. 4 to these Regulations.
- 5.26. During the period of review of the documents submitted for the re-registration, the Fund shall have the right to check credibility of information furnished in the Venture Partner documents.
- 5.27. The Venture Partner Re-registration decision tree shall conform to the decision tree for the Applicant's Registration as a Venture Partner provided by these Regulations.
- 5.28. The Venture Partner's Registration may be terminated:
- 5.28.1. By any registered Venture Partner at its own discretion on its written application under the hand of an authorized person and the seal of the Venture Partner sent to the Fund.
- The Registration termination date shall be deemed to be the date on which the Fund receives such application.
- 5.28.2. By the Fund's decision in the following instances:
- upon the expiration of twelve (12) months from the date of the Venture Partner Registration;
 - discovery of the Venture Partner's deliberate misrepresentation;
 - the Venture Partner's violation of the Venture Partner Registration conditions;
 - the Venture Partner's violation of the Russian Federation law, including that leads to a detrimental effect on the reputation and rights of the participants in the seed investing process;
 - the Venture Partner's default on its obligations of a registered Venture Partner stipulated by these Regulations or other contractual obligations to the Fund;
 - termination of employment (civil law) relations of all Venture Professionals with the Venture Partner and the Venture Partner's failure to nominate new Venture Professionals within sixty (60) calendar days from the date of such termination;
 - liquidation of the Venture Partner as a legal entity.
- 5.29. The decision to terminate the Registration shall be communicated to the Venture Partner in writing with indication of the reason for such a decision within ten (10) business days from the date of passing the same.
- 5.30. Within ten (10) business days after the date of passing the decision to terminate the Venture Partner's Registration, the Fund shall make an entry to that effect in the Register of the Fund Venture Partners.

Control over the Venture Partner Activities

- 5.31. The Fund and / or RVC shall have the right to control the registered Venture Partners' compliance with the provisions of these Regulations.

5.32. The Fund and / or RVC shall have the right to request the Venture Partner business reports from the registered Venture Partners in the form agreed upon by the parties to the transaction for an Innovative Company incorporation into the Fund.

Venture Partners Information

5.33. Information about the registered Venture Partners shall be laid open to the public on RVC's (www.rusventure.ru) and/or Seed Fund's official web page.

5.34. In case of any change in any information submitted by any Venture Partner during its Registration and/or re-registration, the Venture Partner shall inform the Fund about the fact of such changes by sending a Letter of Application in the form attached as Appendix No. 7 within thirty (30) calendar days from the date of such changes.

6. PROCEDURE FOR THE VENTURE PARTNERS INTERACTION WITH THE FUND

6.1. Procedure for the Venture Partner's submission of Investment Projects:

6.1.1. Every Venture Partner shall submit to the Fund its Investment Project as a package including:

- A Summary of the Investment Project in the form attached as Appendix No. 8;
- A Business Plan of an Innovative Company containing its objects and the amount of financing in the form attached as Appendix No. 9;
- Terms and structure of the proposed Transaction, including but not limited to the Term Sheet signed by the parties in the form attached as Appendix No. 10 (a model form of the document);
- A document supporting a private investor's intention to subscribe to the Innovative Company, with indication of the volume, terms and conditions of the investments to be made, signed by the private investor (or by the Venture Partner, in the event that the Venture Partner acts as a private investor) (an Agreement (letter) of Intend);
- A draft Agreement for the Exercise of the Rights of Members (Operating Agreement) in the form attached as Appendix No. 11;
- Redrafted constituent instruments / draft amendments to the constituent instruments of the company;
- Results of the preliminary analysis of the Innovative Company (Innovative Company project) performed by the Venture Partner;
- Other documents in support of the Innovative Company compliance with the Innovative Company qualifications stipulated by these Regulations.

6.1.2. The Investment Project submitted by the Venture Partner shall be reviewed by the Fund professionals for compliance with the requirements of these Regulations, as

well as a primary analysis (preliminary technological and business expert examination) of the submitted Investment Project shall be carried out.

- 6.1.2.1. Based on the results of the primary analysis of the Investment Project by the Fund professionals, the Fund shall have the right:
 - to deny the Venture Partner the opportunity of the Innovative Company's benefiting from the Fund investments;
 - to recommend that the Investment Project be refined upon and/or further information and/or data omitted in the presented Investment Project be submitted;
 - to inform the Venture Partner about the Investment Project submission to the Investment Committee of the Fund.
- 6.1.2.2. The period for the primary analysis of any Investment Project by the Fund professionals shall be no more than thirty (30) business days from the date of the Fund's receipt of such Investment Project.
- 6.1.3. Based on the results of the primary analysis, the Investment Committee of the Fund shall review the Investment Project and shall be entitled to take one of the following decisions:
 - 6.1.3.1. To approve the due diligence review of the Innovative Company of the Investment Project;
 - 6.1.3.2. To approve the Transaction with the Innovative Company of the Investment Project;
 - 6.1.3.3. To refuse to make the Transaction with the Innovative Company of the Investment Project;
 - 6.1.3.4. To adjourn the consideration of the Transaction with the Innovative Company for a specific period or until submitting additional documents.
- 6.1.4. If required, the Venture Partner and/or representatives of the Innovative Company may be invited to attend the meeting of the Fund's Investment Committee.
- 6.1.5. If the Fund's Investment Committee decides to decline the Transaction with the Innovative Company, the Fund shall inform the Venture Partner of such a decision.
- 6.1.6. If the Investment Committee decides to conduct the due diligence review of the Innovative Company, the Fund shall be entitled to request relevant information from the Venture Partner.
- 6.1.7. The Fund shall conduct the Due Diligence on the Innovative Company independently and/or with invitation of RVC experts within no more than forty five (45) business days from the date of the Investment Committee's decision to conduct the Due Diligence on the Innovative Company of the Investment Project.
- 6.1.8. The Fund professionals shall send the Investment Project containing the results of the Due Diligence on the Innovative Company to the members of the Investment Committee not later than ten (10) calendar days before the date of the Investment Committee meeting convened to review the Investment Project in question.

- 6.1.9. The Investment Committee convened to review the Investment Project may resolve that:
 - 6.1.9.1. The Transaction with the Innovative Company be approved;
 - 6.1.9.2. The Transaction with the Innovative Company be approved subject to the conditions precedent;
 - 6.1.9.3. The Transaction with the Innovative Company be declined with indication of the reasons for such a decision;
 - 6.1.9.4. The consideration of the Transaction with the Innovative Company be adjourned for a specified period or until particular supplementary materials are submitted.
 - 6.1.10. In the event of deciding to decline the Transaction with the Innovative Company, the Fund shall inform the Venture Partner of the fact of and reasons for taking such a decision not later than seven (7) business days from the date of the decision.
 - 6.1.11. If the Investment Committee approves the Transaction with the Innovative Company, the Fund shall inform the Venture Partner of the fact of taking such a decision not later than seven (7) business days from the date of the decision.
 - 6.1.12. Having received information about the Transaction approval, the Venture Partner together with the Fund professionals shall immediately organize and carry out the procedure for conclusion (closing) of a transaction within the time limits referred to in the Investment Committee decision approving the Transaction.
 - 6.1.13. The Fund shall have the right to suspend and/or terminate the conclusion (closing) of the Transaction in the event that during its course the Fund receives information about the Investment Project and/or the Venture Partner and/or parties to the Transaction that bears evidence of unreliability of information contained in the Investment Project.
- 6.2. Procedure for and basic conditions of interaction of the members of any Portfolio Company of the Fund:
 - 6.2.1. All conditions of interaction of parties who are members of any Portfolio Company of the Fund shall be governed by the constituent instruments of the Portfolio Company, Agreement for the Exercise of the Rights of Members of the Portfolio Company / Term Sheet.

7. FUND INVESTMENT ENVIRONMENT

7.1. Permissible transactions of the Fund:

- 7.1.1. The Fund shall meet no more than 75% of the Innovative Company's first-stage investment requirements, and in an amount not to exceed RUB 25 000 000 (Twenty Five Million Rubles);
- 7.1.2. The Fund can bear any legal and financial terms of the Transaction allowed by the applicable legislation of the Russian Federation.

7.2. Basic requirements to an Innovative Company and structuring of an investment transaction:

- 7.2.1. 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.
- 7.2.2. 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.
- 7.2.3. The Innovative Company shall attract investments with the view of purchasing, creating, manufacturing and promoting of a commercial version of an innovative product/service.
- 7.2.4. The members (shareholders) of the Innovative Company holding a particular fraction of shares / 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.
- 7.2.5. 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.
- 7.2.6. 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.
- 7.2.7. The Innovative Company shall hold 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).

- 7.2.8. All property and property rights of the Innovative Company (including intellectual property objects), as well as shares / 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.
- 7.2.9. No member (shareholder) 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.
- 7.2.10. 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.
- 7.2.11. No member (shareholder) 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.
- 7.2.12. 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).
- 7.2.13. 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.
- 7.2.14. 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.
- 7.2.15. The Innovative Company's revenues according to the accounting data for the last four quarters preceding the date when its securities / stakes in its authorized capital were proposed to be acquired by the Fund shall be no more than RUB 10,000,000 (Ten Million Rubles).
- 7.2.16. 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.
- 7.2.17. 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.
- 7.2.18. 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.).
- 7.2.19. Members (shareholders) of the Innovative Company may undertake not to sell or otherwise dispose of their shares / 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.

- 7.2.20. In the event that the Fund sells its shares / 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) will have a priority right to redeem shares / stakes of the Innovative Company owned by the Fund at the price offered by such third parties in proportion to the shares / stakes already held by the members (shareholders).
- 7.2.21. In the event that the members (shareholders) of the Innovative Company sell their shares / stakes to third parties, the Fund may have a tag-along right stipulated by the operating agreement.
- 7.2.22. Members (shareholders) of the Innovative Company may have an option of redemption of the Fund's shares / 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 shares / stakes in the authorized capital of the company or subject to other conditions agreed by the parties during the consummation of the Transaction.

8. CONCLUDING PROVISIONS

- 8.1. An invitation to the Venture Partners Registration (a notice of the Registration of Venture Partners) shall be published at www.rusventure.ru.

Procedure for Submission of Applications and Documents by Venture Partners

- 8.2. Applications for Registration of Venture Partners prepared and executed as required by these Regulations may be submitted within the time frame indicated in the notice of registration of Venture Partners.

The Applications are received on:

Working days from 10:00 a.m. to 05:00 p.m. Moscow time.

The Applications are received at:

1 bldg 75B, Leninsky Gory,

Moscow, 119992, Russian Federation

Every Application shall be delivered in a secondary package (parcel, folder, box).

- 8.3. All documents comprising the Application, as well as the Investment Project, submitted by a registered Venture Partner must be presented:

- in the Russian language in a hard-copy form (in case a document is a translation, a copy of the document in the English language shall be attached). The documents must be bound, numbered and bear a signature of an authorized person and a seal.

and

- in electronic format on CD-R / DVD ± R
(in the format of *.doc, *.docx, *.xls, *.xlsx, *.pdf).

8.3.1. Documents and materials for which these Regulations prescribe no format for the submission shall be drawn up in an optional form.

Explanation of the Provisions of These Regulations

8.4. Any person may seek explanations regarding the provisions of these Regulations prior to the expiration of the period for filing Applications for Registration of Venture Partners:

- by telephone of the Fund and / or RVC representatives
+7 495 777 01 04
daily, except Saturdays and Sundays, from 10:00 a.m. to 05:00 p.m.;
- by e-mail: partner@seedrvc.ru

Addendum and Revision of these Regulations

8.5. The Fund reserves the right to amend, modify or terminate these Regulations or any of its provisions. In this case, the Fund undertakes to go by the principle of inadmissibility of deterioration of the conditions of interaction between any registered Venture Partner and the Fund during the currency of the Venture Partner Registration Certificate.