

PROCESS AND RULES FOR RECRUITMENT OF ACCREDITED FUNDS

(hereinafter referred to as "**Recruitment Process**")

§ 1. List of abbreviations and definitions

1.1. Unless otherwise stated, capitalised terms used in this document have the following meanings:

- **Accredited Fund** – means an entity with which NIF signed a master cooperation agreement defining the principles of cooperation within the framework of co-investment activities in Portfolio Companies. An Accredited Fund may be a VC or PE fund or a medium or large enterprise as defined in Annex No. 1 to the Commission Regulation (EU) No. 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty, engaging in venture capital investment activities (regardless of its legal form, excluding civil partnerships or sole proprietorships), established and operating in accordance with the law applicable in its place of establishment, excluding entities where the pari passu principle is not maintained and where public aid is provided.
- **Key Personnel** – means natural persons responsible for the implementation of the investment policy and management of the candidate for the Accredited Fund's investment portfolio.
- **Recruitment** – means the continuous and open process of recruitment and possible selection of Applications whose implementation is based on the notice about the start of the recruitment published on the Website and on the basis of the Recruitment Process.
- **NIF** – means NCBR Investment Fund ASI S.A. with its headquarters in Warsaw, entered into the register of entrepreneurs of the National Court Register kept by the District Court for the Capital City of Warsaw in Warsaw, 13th Commercial Division of the National Court Register under the National Court Register number [in Polish: KRS] 0000793596, which is an alternative investment fund (AFI) referred to in art. 8a of the Act of 27 May 2004 on investment funds and management of alternative investment funds.
- **Application** – means the application form submitted by the candidate for the Accredited Fund (in accordance with the template provided in Appendix No. 1 to the Recruitment Process), along with the attachments.
- **Portfolio Company** – means a portfolio company specified in the Key Terms and Conditions of Cooperation, Recruitment and Selection of Accredited Funds - "Term sheet" in which NIF will invest together with the Accredited Fund in accordance with Appendix 3 "Process and Principles of Co-investment with the Accredited Fund".
- **Website** – means NIF's website (www.nifasi.pl).

§ 2. Purpose of the Recruitment

2.1. The purpose of the Recruitment is to select the Accredited Funds that will contribute to the greatest extent to the achievement of the main goal of the NIF activity, which is the increase in the value of the NIF assets as a result of an increase in the value of investments, giving priority to the long-term financial stability

of the NIF operation before maximizing profits. In order to achieve this goal, NIF will, in cooperation with Accredited Funds, purchase and acquire, on market conditions, shares and stocks in Portfolio Companies.

§ 3. Investment budget

- 3.1.** The value of expenditures on investments in Portfolio Companies planned by NIF in 2020-2026 is PLN 700 million.
- 3.2.** NIF reserves the right to change the amount allocated to investments under the Recruitment, referred to in § 3.1 above.

§ 4. Key terms of the Recruitment

- 4.1.** The key terms of the Recruitment are set out in Appendix No. 2 to the Recruitment Process (Key Terms of Cooperation, Recruitment and Selection of Accredited Funds - "Term sheet").

§ 5. Legal basis for the Recruitment

- 5.1.** This Recruitment is carried out pursuant to the statute of NIF.

§ 6. General provisions concerning the Recruitment

- 6.1.** Recruitment will be conducted on a continuous and open basis. Possible completion and commencement of the Recruitment will be announced on the Website.
- 6.2.** Applications are subject to a two-stage evaluation.
 - 6.2.1.** Stage one: within stage one, the Applications will be subject to formal and content-related evaluation, in accordance with the principles set out in § 8 of the Recruitment Process.
 - 6.2.2.** Stage two: Applications qualified for stage two will be subject to business and legal due diligence in accordance with the principles set out in § 9 of the Recruitment Process.
- 6.3.** At each stage of the evaluation and analysis of the Application, NIF may request from the Candidate for the Accredited Fund candidate for the Accredited Fund explanations regarding the content of the submitted Application and to provide additional documents necessary for the proper analysis of the Application.

§ 7. Participation in the Recruitment and Application

- 7.1.** As part of the Recruitment, the Applications submitted by the candidates for the Accredited Fund are assessed.
- 7.2.** The Application should be prepared in accordance with the requirements set out in the Recruitment Process.

7.3. The Application should be sent in electronic form bearing a qualified electronic signature to the following email address: biuro@nifasi.pl.

7.4. The Application should be prepared in Polish or in English. Documents in English may be sent together with their translation into Polish. In case of discrepancies, the Polish language version is binding.

7.5. NIF is entitled to request other documents than those attached to the Application if necessary for the proper evaluation of the Application.

7.6. NIF, at each stage of the Application analysis, has the right to request the candidate for the Accredited Fund to:

7.6.1. correct spelling and accounting errors contained in the Application;

7.6.2. change or supplement the deficiencies of the Application;

7.6.3. explain the discrepancies and ambiguities in the Application.

7.7. The Candidate for the Accredited Fund will be obliged to supplement the deficiencies within 14 (say: fourteen) working days from the date of NIF sending the request for supplementation (such request will be sent by e-mail to the e-mail address provided in the Application) by sending the documents in accordance with the request.

7.8. Submitting an incomplete or non-compliant Application with the requirements set out in § 7 of this document will exclude the Application from the further qualification procedure, unless the candidate for the Accredited Fund completes the deficiencies, corrects errors or explains discrepancies and ambiguities within the time limit referred to in § 7.7 above.

7.9. The Candidate for the Accredited Fund whose Application has been rejected will be able to apply again for the status of the Accredited Fund after a 12-month grace period, counted from the date of receipt of the notification from NIF regarding the rejection of the Application, in accordance with § 8.2 or § 9.1.2 of the Recruitment Process.

§ 8. The first stage of the Application evaluation

8.1. Analysis of formal and substantive conditions

8.1.1 NIF will perform a formal and substantive analysis of the Application based on the catalogue of quality criteria specified in § 10 of this document, awarding points under each of the criteria and subcriteria, based on the "Principles of Analysis and Selection of Candidates for Accredited Funds (Scoring)" – i.e. an internal NIF document not subject to disclosure to the candidate for the Accredited Fund.

8.1.2 As part of the substantive analysis of the Applications, NIF may invite the Candidate for the Accredited Fund to present its Application.

8.1.3 As part of the substantive analysis of the Applications, NIF is entitled to request the candidate for the Accredited Fund to provide explanations regarding the content of the Application submitted by him/her, if they prove necessary for the proper evaluation of the Application.

8.1.4 NIF will carry out an immediate substantive analysis of the Application.

8.1.5 NIF will admit the candidate for the Accredited Fund to the second stage of the Application evaluation if the Application receives not less than: 50% of the total number of points and 50% of points for each quality criterion.

8.2. The candidates for the Accredited Funds will be notified, to the e-mail address provided in the Application , about the decision made by NIF concerning the fact whether their Applications have been qualified or not qualified for the second stage of the Application evaluation, along with the number of points obtained.

§ 9. Stage two of the Application evaluation

9.1 Due diligence analysis

9.1.1 As part of the second stage of the evaluation, the Applications will be subject to due diligence analysis, which will be carried out immediately after the formal and content-related analysis is completed. The purpose of the analysis is to verify all information contained in the Application that affects the candidate for the Accredited Fund's assessment. For this purpose, NIF or advisers authorized by it may request additional documents, in addition to those submitted in the Application, as well as information enabling the due diligence analysis.

9.1.2 After the due diligence analysis is completed, the candidate for the Accredited Funds will be notified by NIF, to the e-mail address provided in the Application, about the invitation to negotiate the master cooperation agreement or about the completion of the recruitment procedure for them. In the absence of an invitation to negotiate a master cooperation agreement, the candidate for the Accredited Funds will receive a justification for the decision.

§ 10. Criteria for selecting Applications

10.1 As part of the formal and substantive analysis of the Application, NIF will evaluate according to the predefined criteria. The assessment particularly focuses on the experience and competence of the Key Personnel of the candidate for the Accredited Fund. This also applies in cases where a VC fund has adopted a strategy of attracting investors on a deal-by-deal basis for separate Alternative Investment Funds (Alternatywne Spółki Inwestycyjne) or operates in a model where the Accredited Fund manager acts as an external manager, regardless of the legal form of the VC fund. The evaluation by NIF will also include the management of such a candidate for the Accredited Fund and entities personally connected to such a candidate, according to the following criteria:

10.1.1 Investment strategy - weight 20%

Under this criterion, NIF will evaluate Applications according to the following sub-criteria:

- A.** An investment strategy that gives a chance of return as a result of an increase in the value of the investment;
- B.** Proven experience and industry knowledge in the area of R & D & I investments;
- C.** History of investments made.

10.1.2 Experience and competences in the investment process - weight 30%

Under this criterion, NIF will evaluate Applications according to the following sub-criteria:

- A. Ability to search for new investment opportunities;
- B. Quality of the investment decision making process;
- C. Investment experience of those making investment decisions;
- D. Experience of the members of the investment team in investments on the Polish market;
- E. Experience of the members of the investment team in investments on international markets (outside the country where the investor is registered, or in Poland if the investor is registered outside Poland);
- F. Sufficient resources to successfully implement the investment decision-making process.

10.1.3 Experience and competences in supervising and managing a portfolio of companies - weight 20%

Under this criterion, NIF will evaluate Applications according to the following sub-criteria:

- A. Quality of investment portfolio management and supervision processes of portfolio companies;
- B. A coherent and transparent corporate governance policy in portfolio companies;
- C. Resources needed to effectively perform the processes of investment portfolio management and supervision of portfolio companies;
- D. Experience in the scope of supervision of portfolio companies, including those operating on the international market;
- E. Experience in supervision of companies conducting or commercializing R & D & I works;
- F. Experience in supporting the expansion of portfolio companies onto international markets;
- G. The competences that the candidate for the Accredited Fund may provide to portfolio companies that will support the increase in value of these portfolio companies;
- H. Ability to manage difficult situations (conflicts, underperformance, etc.) in portfolio companies.

10.1.4 Experience and competences in the field of further financing and exiting from investments - weight 10%

Under this criterion, NIF will evaluate Applications according to the following sub-criteria:

- A. Experience in closing investments (exits);
- B. The ability to provide financing by carrying out further rounds of financing for portfolio companies without closing the investment.

10.1.5 Financial stability and quality – weight 10%

Under this criterion, NIF will evaluate Applications according to the following sub-criteria:

- A. Financial stability enabling investment activities;
- B. Quality of financing sources / an investor base;
- C. Transparency regarding relationships with related entities.

10.1.6 References – weight 10%

Under this criterion, NIF will evaluate the Applications according to the following sub-criteria:

- A.** Good reputation in the VC / CVC market by providing written references.

§ 11. Master Cooperation Agreement

11.1 After conducting the due diligence analysis, in the event of obtaining a positive recommendation in accordance with internal procedures, NIF will provide the candidate for the Accredited Fund, to the e-mail address provided in the Application, with information about the selection of his/her Application, a draft of the master cooperation agreement and an invitation for the candidate for the Accredited Fund to negotiate the master cooperation agreement.

11.2 NIF negotiates the content of the master cooperation agreement with the exception of the provisions resulting from applicable law.

11.3 Each master cooperation agreement concluded between NIF and the Accredited Fund will contain provisions concerning in particular:

11.3.1 the rules of cooperation between NIF and the Accredited Fund,

11.3.2 rules for selecting a Portfolio Company,

11.3.3 the most important guidelines regarding the investment agreement concerning the Portfolio Company,

11.3.4 mutual obligations of the Accredited Fund and NIF,

11.3.5 financial conditions of the cooperation of NIF with the Accredited Fund,

11.3.6 information obligations of the Accredited Fund towards NIF,

11.3.7 standard representations and warranties of NIF and the Accredited Fund,

11.3.8 rules for managing a conflict of interest,

11.3.9 the term of the master cooperation agreement and the terms and conditions of its termination,

11.3.10 provisions regarding the right to announce the results of the Recruitment.

§ 12. Final provisions

12.1 The Recruitment Rules set out in this document shall enter into force on the date of posting on the Website.

12.2 Neither NIF nor the candidates for the Accredited Fund may, without the consent of the other party, disclose any information related to the contents of the Applications and the course of the Recruitment, including NIF and the candidate for the Accredited Fund being obliged to maintain confidentiality regarding any information obtained during the negotiations of the master cooperation agreement. The information indicated above will be treated as a trade secret. The above does not prejudice the right of NIF to use, in the course of the Recruitment, including the examination and evaluation of Applications, the assistance of external experts, auditors and advisers, and does not apply to information that has been made public or

known to NIF from other sources. The obligation of confidentiality does not violate the obligation of the NIF and the candidate for the Accredited Fund to provide information to authorized bodies (internal, external ones) or to disclose information to the public, to the extent required by law.

12.3 The Key Personnel will consent to the acquisition by NIF and authorized legal advisers of NIF carrying out due diligence, for the purpose of formal and substantive analysis of the Application and due diligence referred to in § 8 and § 9 above, information on the previous investment and entrepreneurial activities and reputation on the market, and such a consent will meet the conditions for consent concerning the processing of personal data within the meaning of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC ("GDPR"), and it will constitute the consent of the entity to whom the confidential information relates to the disclosure of information covered by the confidentiality order, if any contractual or unilateral obligation results in the prohibition of disclosing information about the Key Personnel. The Key Personnel will also consent to further processing by NIF of the information obtained only for the purpose of verifying the experience and reputation on the market indicated in the Offer.

12.4 The candidate for the Accredited Fund acknowledges that due to the providing the personal data contained in the Application, NIF becomes the administrator of the aforementioned personal data within the meaning of the GDPR. Processing the aforementioned personal data results from the legitimate interests pursued by NIF, including the necessity to process personal data in connection with the implementation of the master cooperation agreement. The candidate for the Accredited Fund is obliged to provide the persons whose personal data have been indicated in the Offer with the information clause constituting the fulfillment of NIF's information obligation indicated in Art. 13 and 14 of the GDPR.

Appendices:

Appendix No. 1: Application Form for candidates for Accredited Funds,

Appendix No. 2: Key Terms and Conditions of Cooperation, Recruitment and Selection of Accredited Funds - "Term sheet",

Appendix No. 3: Process and Principles of Co-investment with the Accredited Fund.