



Non-Profit Organization – Development Foundation for Center for
Development and Commercializing Advanced Technologies
(Skolkovo Foundation)

WORK ORDER

March 4, 2014

#71-Pr

Moscow

On Approval of Closed Tender Procedure Regulations for Investment-Attractive Projects within Startup Village 2014

In accordance with the Charter of Development Foundation for Center for Development and Commercializing Advanced Technologies (hereinafter referred to as 'Foundation'), Section 2.1.3.6, and also in compliance with Members of the Development Foundation for Center for Development and Commercializing Advanced Technologies Board's Distribution of Authority, endorsed by Work Order #366 on December 30, 2013, Section IV, Subsection 4.2.1,

it is ordered as follows:

1. Approve Closed Tender Procedure Regulations for Investment-Attractive Projects within Startup Village 2014 (Enclosure 1).
2. I reserve the right of control over execution of the Order.

Senior Vice President, Innovations

A handwritten signature in blue ink, consisting of several overlapping loops and a long horizontal stroke at the bottom.

V.M. Belov

Annex
to order of
Non-commercial organization
Development Fund of the Center
for development and
commercialization
of new technologies
dated March 4, 2014 No. 71-Пп

REGULATION
**on the order of organization of a closed tender of investment-attractive research
projects within the framework of Startup Village 2014 event**

Clause 1. Introduction

1. The creation of Skolkovo innovation center includes the development of an ecosystem to unify scientific and entrepreneurial communities, venture business, customers and consumers of innovations, providers of various services, experts and students. The aim of Non-commercial organization Development Fund of the Center for development and commercialization of new technologies (hereinafter referred to as the Fund) is to organize such an ecosystem and to provide its independent functioning so that all participants would know about each other and about possibilities that exist in the innovations market.

Clause 2. Regulatory and legal basis of this Regulation

1. This Regulation is approved pursuant to:

1) paragraph 2.1.3.6 of the Articles of Association of the Fund, according to which the Fund is authorized to grant encouragement bonuses and prizes on a tender basis for research activities carried out by the participants of the project for creation and organization of Skolkovo innovation center, namely, to scientific and entrepreneurial organizations, individual scientists, entrepreneurs and researchers;

2) clauses 1057 – 1061 of the Civil Code of the Russian Federation; however, the provisions of clauses 447 – 449 of the Civil Code of the Russian Federation do not apply to the Tender organized in accordance with the Regulation, because the nature of

the contract to be concluded as a result of the Tender does not provide for the possibility of its conclusion by means of bidding (p. 1 cl. 447 of the Civil Code of the Russian Federation);

3) Federal law No. 244-Φ3 dated September 28, 2010 “On Skolkovo innovation center”.

2. The Tender is announced by means of placing this Regulation on the web-site of Startup Village 2014 - www.startupvillage.ru.

Clause 3. Terms and definitions used in this Regulation

| Term | Definition |
|-----------|---|
| Jury | <p>A group of scientific experts and specialists in relevant Areas in the field of business and commercialization, including employees of the Fund and mass media. The Jury evaluates the Projects after Pitch Presentations of the Participants in the course of Finalists selection and Winners selection.</p> <p>The panel of the July is specified in the minutes of its meetings and is published on the web-site www.startupvillage.ru.</p> <p>The members of the Jury participate in its work on a payment-free basis. The judges should inform the organizers of the event about their possible interest by means of making a corresponding mark in their vote bulletins and abstaining from vote.</p> <p>An interested member of the Jury is a judge that receives or might receive benefit from the evaluation of a Member's Project.</p> |
| Law | Federal law No. 244-Φ3 dated September 28, 2010 “On Skolkovo innovation center”. |
| Applicant | <p>An individual or a legal entity, including a member of creation and organization of Skolkovo innovation center, a scientific or entrepreneurial organization, an individual scientist, entrepreneur or researcher, that fills in a questionnaire on the web-site www.startupvillage.ru (Registration – Startup), or otherwise expresses their consent to participate in the Tender in oral and (or) written form on the basis of an offer sent to them by the Fund in written form (incl. e-mail) and (or) expressed in oral form.</p> <p>The applicants should have necessary and sufficient title for the results of intellectual activities to present the Project in the course of the Tender on their own behalf.</p> <p>The following persons cannot acts as Applicants or members of Project teams:</p> <p>1) employees of the Fund that operate under contract agreements</p> |

| Term | Definition |
|-----------------|--|
| | <p>(paid service agreements) with the Fund, employees of filial companies of the Fund and partner companies of the Tender, as well as the relatives of such employees;</p> <p>2) individuals that participate in the organization and hosting of the Tender, including Jury members;</p> <p>3) companies affiliated with employees of the Fund or their family members.</p> |
| Tender | A close tender of Projects held within the framework of the Event that is organized in accordance with the requirements specified in this Regulation. |
| Project Concept | Description of an approach of a Participant to the implementation of their project in view of Tender requirements, including in the part of technological solutions, formation of a team and commercialization strategy. |
| Event | <p>Startup Village 2014 event organized by the Fund in the territory of Skolkovo innovation center on June 01-03, 2014.</p> <p>Purposes of the Event:</p> <p>1.1. Creation and promotion of a positive image of Skolkovo innovation center in Russia and abroad;</p> <p>1.2. Collaboration with current and potential Russian and foreign participants and partners of Skolkovo project for the purpose of their engagement and extensive participation in programs and events of Skolkovo project;</p> <p>1.3. Development of the participants of Skolkovo project by means of giving them opportunities to find partners and investors, study the markets, carry out benchmarking and develop their skills in the terms of global competition;</p> <p>1.4. Attraction of investments to the elements of the ecosystem of Skolkovo innovation center;</p> <p>1.5. General development of the Russian ecosystem. The number of participants is expected to make up over 2,000.</p> |
| Area | <p>One of the following research fields that are most attractive for investors within the framework set out by part 8 clause 10 of the Law:</p> <p>I. Strategic computer technologies and software. Pavilion “Digital World”.</p> <ol style="list-style-type: none"> 1. Digital security, personal data protection, biometric systems 2. Mass market technologies |

| Term | Definition |
|--------------------|---|
| | <ul style="list-style-type: none"> 3. Digital retail 4. Communications and robotechnics 5. Information, entertainments and educational technologies 6. Digital modeling of management processes, increase of work efficiency in industry and mining <p>II. Medical technologies in development of equipment and pharmaceutical drugs. Pavilion "Health Incl.":</p> <ul style="list-style-type: none"> 1. Combating infection diseases 2. Medical devices 3. Diagnostics and treatment of cancerous diseases 4. Regeneration technologies 5. Break-through technologies in health care <p>III. Energy efficiency and energy safety, incl. development of innovative energy technologies. Pavilion "Energy technologies":</p> <ul style="list-style-type: none"> 1. Oil and gas sector 2. Electrical energy 3. Energy efficiency in industry and housing sector <p>IV. Nuclear technologies; space technologies in telecommunications and navigation systems (incl. development of a corresponding ground infrastructure). Pavilion "HighProm":</p> <ul style="list-style-type: none"> 1. New materials and covers 2. Digital manufacture 3. Manufacturing technologies 4. See, go, speak 5. Star Trek |
| Pitch-presentation | <p>Presentation of a Project Concept in form of a 5 (five) minutes long speech of a Member of in the course of Finalists selection and (or) Winners selection.</p> <p>The data of a Pitch-presentation should be complete, accurate and authentic.</p> <p>The content of a Pitch-presentation should not violate any third party rights, including the rights for the results of intellectual activities, right for the protection of reputation and personal privacy. The presentation should not discredit any third parties.</p> <p>When giving their consent to participate in the Tender, a Participant confirms that no materials presented by them (including during a Pitch-presentation) are confidential.</p> |
| Winner | <p>A finalist that according to the decision of the Jury and to the results of a meeting for the Finalists' Projects evaluation is announced as the Winner.</p> |

| Term | Definition |
|---------------------|---|
| Encouragement Prize | <p>Cash incentive paid to the Winners and Finalists in the amounts and in the order specified by this Regulation for development and presentation of the best Projects (in order to financially support their further implementation).</p> <p>If provided by the legislation of the Russian Federation, the Encouragement Prize is paid net of taxes and levies.</p> |
| Project | <p>An investment-attractive research project of a Participant in one of the Areas.</p> |
| Participant | <p>An individual or legal entity that falls into one of the following categories determined by the Fund: a scientific or entrepreneurial organization, an individual scientist, entrepreneur or researcher, whose project presentation is selected on the basis of an expert conclusion of cluster employees and the employees of the investment service of the Fund for the participation in the Tender (the total amount of the Participants should not exceed 200).</p> <p>Information about the list of selected Participants is published on the web-site of the Event www.startupvillage.ru.</p> <p>During a Pitch-presentation or any other speech of a Participant they should specify the leader of their Project team that carries out its management and is authorized to further communicate with the Fund on behalf of the Participant. In case a Participant is a group of individuals that does not operate as a legal entity, the leader of the Project is considered a Participant.</p> |
| Finalist | <p>A Participant selected according to the decision of the Jury and to the results of a meeting for the Finalists' Projects evaluation.</p> |
| Fund | <p>Non-commercial organization Development Fund of the Center for development and commercialization of new technologies that organizes the Tender.</p> |
| Expert Group | <p>A group of experts - cluster employees and the employees of the investment service of the Fund - that carry out initial selection of the Applicants' projects and make decisions to invite certain Applicants to the Event for personal presentation.</p> <p>Initial selection is carried out by 4 Expert Groups in relevant Areas with corresponding leaders:</p> <ol style="list-style-type: none"> 1. Energy efficiency and energy safety, including development of innovative energy technologies – O.E. Pertsovskiy, operations director of the Cluster for energy efficient technologies. |

| Term | Definition |
|------|---|
| | <p>2. Medical technologies in development of equipment and pharmaceutical drugs – K.V. Kaem, executive director of the Cluster for biological and medical technologies;</p> <p>3. Strategic computer technologies and software – I.V. Bogachev, executive director of the Cluster for information technologies;</p> <p>4. Nuclear technologies; space technologies in telecommunications and navigation systems (incl. development of a corresponding ground infrastructure) – I.A. Karavaev, executive director of the Cluster for nuclear technologies.</p> |

Clause 4. Subject matter, purposes, schedule and place of the Tender

1. The subject matter of the Tender is selection of Finalists and Winners from the Participants on the basis of the best Projects as determined by the Jury.

2. The Tender is organized for the following purposes:

1) giving the Participants an opportunity to present and promote their Projects in the framework of the Event;

2) to encourage the Participants and other developers of innovative projects in the Areas to collaborate within the framework of creation and organization of Skolkovo innovation center (integration into Skolkovo ecosystem);

3) to encourage research and development in Russian and foreign innovative companies in the framework of the Areas in the field that are highly demanded in the market;

4) to engage key partners of the Fund and accredited venture funds into collaboration with the participants of creation and organization of Skolkovo innovation center;

5) to provide publicity for the operations of the Fund, to promote the participants of creation and organization of Skolkovo innovation center, as well as other persons engaged into the implementation of the said project.

3. Tender Schedule:

1) an Applicant files a presentation of their project with the Fund before April 30, 2014;

2) the Participant are selected by cluster employees and the employees of the investment service on the basis of expert evaluation of the filed project presentations before May 18, 2014;

3) the Finalists are selected after Pitch-presentations of the Participants on the basis of Jury decisions on June 02, 2014;

4) the Winners are selected after Pitch-presentations of the Finalists on the basis of Jury decisions on June 03, 2014.

4. Place of the Tender: Moscow, Skolkovo innovation center.

5. The Fund reserves the right to cancel, finish, alter or suspend the Tender as well as any provisions of this Regulation at its own discretion and in accordance with the legislation of the Russian Federation.

Clause 5. Requirements for Project Concept

A Project Concept should:

1) be based on an original business idea and (or) scientific research and experimental developments of a Participant;

2) contain developed solutions within the framework of Areas;

3) contain information about the experience of a Participant and reached results;

4) contain a description of competitive advantages in comparison with alternatives that exist in the market, as well as feasibility of implementation of the results achieved in the framework of the Project.

Article 6. Initial selection of Participants

1. Having considered presentations filed by the Applicants with the Fund, the Expert Group in each Area makes decisions regarding the selection of Participants and their invitation to presentations in the framework of the Event.

2. Project presentations are evaluated in absentia on the basis of Project evaluation criteria listed in Annex 1 hereto.

3. A decision regarding the selection of Participants is drawn up in form of the minutes of the Organization committee of the Event.

4. The list of Participants of the Tender chosen during the initial selection is published on the web-site of the Event www.startupvillage.ru.

Clause 7. Selection of Finalists and Winners

1. After Pitch-presentation of all Participants the Jury evaluated their Projects and makes decisions regarding the selection of Finalists in each Area. After corresponding presentations of the Finalists, decisions regarding the selection of the Winners are made.

Each Project is evaluated by the Jury individually. Each member of the Jury fills in a vote bulletin and submits it to the chairperson of the Jury for vote count and signing of the minutes of the Jury meeting.

At least 3 members of the Jury per each Area should constitute a Jury meeting.

2. The evaluation of the Projects by the Jury after the presentations of the Participants is carried out in presentia. The Projects of the Participants that did not give personal Pitch-presentations are not considered.

3. All decisions of the Jury are registered in the minutes signed by the chairperson of the Jury on the basis of vote bulletins received from the members of the Jury and attached to the minutes.

The Finalists (Winners) are determined on the basis of the sum of points given by the members of the Jury according to Project evaluation criteria after Projects presentation. The said criteria are listed in Annex 1 hereto.

In case several Participants receive the same number of points, a decisions regarding the selection of Finalists (Winners) is made by the chairperson of the Jury.

Article 8. Tender results

1. After each stage of the Tender the Jury selects:

1) from the Participants – 20 Finalists. Each of the Finalists receives an Encouragement Prize in the amount of 150,000 RUB.

2 from the Finalists – 3 Winners. Each of the Winners receives an Encouragement Prize in the following amount (depending on their place);

- a) 300,000 RUB – for the 3rd place;
- б) 600,000 RUB – for the 2nd place;
- в) 900,000 RUB – for the 1st place.

The Finalists that are selected as the Winners do not receive an Encouragement Prize in the amount of 150,000 RUB (in accordance with p. 1.1 cl. 7).

The aforementioned decisions regarding the selection of the Finalists (Winners) are at the same time considered decisions regarding the payment of the prize in the meaning specified by the legislation of the Russian Federation.

2. In case two or more Participants receive the same amount of points, the winner is selected by the chairperson of the Jury.

3. The Jury reserves the right to select no Finalists or Winners as a result of the Tender.

4. The payment of Encouragement Prizes to the Finalists and Winners is carried out on the basis of funds donation agreement concluded with the Finalists (Winners) within 20 business days. Funds are transferred to a bank account specified by a Finalist (Winner) within 10 days from the date of such an agreement.

In case the leader of a Project team is considered a Participant for the purpose of this Regulation, a funds donation agreement is concluded individually with them, and financial assets are transferred to their bank account. The distribution of the Encouragement Prize between other members of a group of individuals is carried out by them on the basis of the legislation of the Russian Federation without the participation of the Fund, and the Fund bears no liability for such distribution.

In case a Finalist (Winner) refuses or abstains from signing a funds donation agreement within 30 days from the day when the results of the Tender are announced; or in case any non-compliance of a Finalist (Winner) and (or) their Pitch-presentation with the requirements specified in clause 3 of this Regulation is detected after the end of the Tender, the Fund has the right to refuse from signing a funds donation agreement and to consider the decision of the Jury regarding the selection of such a

Finalist (Winner) void. The Encouragement Prize the Finalist (Winner) was entitled to is not paid.

5. The source of financing of the Tender bonus fund is the funds raised by the Fund in form of donations or remuneration paid to the Fund under paid service agreements concluded for the purpose of Event organization.

PROJECT EVALUATION CRITERIA

Competitive advantages of a product

- 3** a unique product able to change the world market structure in its segment
- 2** a project with unique competitive advantages and (or) considerable commercialization potential in Russia and abroad
- 1** a project with certain competitive advantages and (or) commercialization potential in Russia
- 0** a product with limited potential and unclear advantages

Project business model development

- 3** market range, sales model, sales goals, ROI terms are adequately considered
- 2** a sales model is described, but no sales goals or ROI analysis is present
- 1** a business model is described, but the ways of gaining profit are unclear
- 0** no business model is described

Correspondence of the team to the Project

- 3** a team consists of scientists and businessmen and is experienced in launching innovative products in the market
- 2** a team consists of scientists and businessmen and is sufficient for development and organization of a product commercialization scheme
- 1** a team consists of three or more individuals that are scientifically and technically competent to develop a product

- 0** a team is not experienced enough and has little scientific and technical competence

Possibility of Project implementation with the given parameters (e.g., scientific implementability, calculation of terms and resources, technological base)

- 3** a project can be implemented
- 2** a project can be implemented after certain amendments
- 1** a project requires specification
- 0** no answer

Technological innovativeness

- 3** a world-scale innovative or break-through technology that is able to change its industry
- 2** comparable pilot solutions are being developed abroad, but not in Russia
- 1** comparable solutions are absent in Russia, but are being implemented abroad
- 0** comparable solutions are widely used both in Russia and abroad