

Appendix No. 3 to the Process and Rules for Recruitment of Accredited Funds

Process and Principles of Co-investment with the Accredited Fund

1. As part of the first stage of investment, preceding the selection procedure of Portfolio Companies, the Accredited Fund will perform a preliminary analysis and verify that the Portfolio Company meets the following minimum criteria:
 - 1.1 The Portfolio Company activity is conducted in the form of a capital company,
 - 1.2 The Portfolio Company will be an enterprise emerging from the seed stage and start-up, i.e. in the expansion and growth phases,
 - 1.3 The Portfolio Company will commercialize the R&D&I project, i.e. will undertake activities related to conducting scientific research or development work in order to introduce a specific product or service to the market or activities consisting in the implementation of a product or service resulting from scientific research or development work within the meaning of the Act of 20 July 20, 2018 – The Law on Higher Education and Science (Journal of Laws of 2020, item 85),
 - 1.4 The Portfolio Company will be an enterprise classified as a micro, small or medium-sized enterprise (i.e. will employ fewer than 250 employees, have an annual turnover not exceeding EUR 50 million or an annual balance sheet total not exceeding EUR 43 million) within the meaning of Annex I to the Commission Regulation (EU) No. 651/2014 of 17 June 2014 declaring certain types of aid compatible with the internal market pursuant to Art. 107 and 108 of the Treaty,
 - 1.5 The Portfolio Company will operate on any market for no longer than 7 years from the first commercial sale,
 - 1.6 The Portfolio Company will have its seat in Poland or other countries of the Organization for Economic Co-operation and Development (OECD),
 - 1.7 The Portfolio Company will be have Polish element, understood as having an enterprise by the Portfolio Company and conducting its business in the territory of Poland,
 - 1.8 The Portfolio Company will be examined in terms of business prospects and investment risk and approved by the Accredited Fund.
2. The co-investment process may be initiated by the Accredited Fund upon Application (as defined below). The process will be as follows:

STAGE I

- 2.1 The Accredited Fund will provide NIF with an offer of co-investment in the Portfolio Company including ("**Application**"):
 - a) the application of the Accredited Fund regarding the co-investment offer,

- b) information or documents confirming the fulfillment by the Portfolio Company of the conditions referred to in point 1,
- c) the business analysis of investment in the Portfolio Company,
- d) the key terms and conditions of investment in the Portfolio Company (term-sheet) negotiated with the Portfolio Company,
- e) information from the Accredited Fund about capital or personal ties of the Accredited Fund or investors of the Accredited Fund with the Portfolio Company;
- f) documents regarding the Accredited Fund, referred to below:
 - (i) a current excerpt from the National Court Register, a list of applications for a change of data in the National Court Register or a declaration of no applications as at the date of the Application,
 - (ii) a declaration on the share structure of the Accredited Fund (if there is: a stock or share register),
 - (iii) a declaration on the legality of the funds allocated to the co-investment and of the source of origin,
 - (iv) a certificate from the Tax Office that there are no arrears with tax obligations,
 - (v) a certificate from the Social Insurance Institution about the lack of arrears with contributions for the Social Insurance Institution,
 - (vi) a certificate confirming no criminal record for collective entities from the National Criminal Register,
 - (vii) a certificate confirming no criminal record from the National Criminal Register for the management of the Accredited Fund and the investors of the Accredited Fund,
 - (viii) information on whether the investors of the Accredited Fund invested the funds received as part of the state aid provided by the state in the Accredited Fund.

2.2 Upon receipt of the Application, NIF will promptly analyze and verify the Portfolio Company.

2.3 Depending on the case, the co-investment process in a Portfolio Company may also be initiated by the Accredited Fund, which, for the purpose of co-investment in a Portfolio Company, intends to select a new supplier (or suppliers) of capital on a "deal-by-deal" basis (i.e. acquire an additional investor/additional investors for a given co-investment in the Portfolio Company). In such a case, the Accredited Fund will be able to commence a co-investment in a Portfolio Company on the terms and conditions agreed with NIF, in particular after the NIF's positive opinion of the new investor(s). The due diligence of the new investor (s) will be carried out as part of Stage I, after accepting the terms and conditions of the co-investment in the Portfolio Company, wherein the co-investment of NIF with such an Accredited Fund will be conditioned by the positive result of due diligence of the new investor (s), in particular in terms of sources of the origin of funds for the co-investment. In the case of subsequent co-investments in Portfolio Companies, the Accredited Fund will be required to confirm certain information or data regarding existing investors, unless new investors appear in subsequent co-investments in Portfolio Companies - then the aforementioned rules will apply. As part of Stage I, NIF will carry out a preliminary assessment of the Accredited Fund with new investors on the same terms as in the case of the Accredited Fund operating on the basis of the permanent investor structure. NIF will be entitled to demand from the Accredited Fund explanations regarding the content of the information or documents submitted by it, if they prove necessary for the proper assessment of the Accredited Fund or new investors. The set of information or documents required by NIF will be agreed with the Accredited Fund each time, in particular based on the structure of investors and the source of their funds.

- 2.4** NIF will verify that the Portfolio Company meets the criteria set out in point 1 of this document. For this purpose, NIF or its authorised advisers may request from the Accredited Fund additional documents, apart from those submitted in the Application, as well as information enabling the verification of the Portfolio Company compliance with the criteria specified in point 1 of the Agreement.
- 2.5** Under Stage I, NIF is entitled to request from the Accredited Fund explanations regarding the content of the information or documents submitted by it under Stage I, if they prove necessary for the proper assessment of the Portfolio Company.
- 2.6** Following the completion of Stage I, NIF will inform the Accredited Fund of its decision to qualify or not to qualify a given Portfolio Company for Stage II.

STAGE II

- 2.7** As part of Stage II, the co-investment offers will be subject to an in-depth analysis, which will be carried out immediately after the completion of Stage I. The in-depth analysis is aimed at verifying the due diligence documentation of the Portfolio Company provided by the Accredited Fund and verifying the resolution of the Accredited Fund's investment committee regarding the investment in the Company Portfolio. For this purpose, at the end of Stage I, the Accredited Fund will immediately submit to NIF the following documents:
- a) a legal due diligence of the Portfolio Company,
 - b) external business due diligence of the Portfolio Company (optional),
 - c) a technological due diligence of the Portfolio Company (optional),
 - d) a investment agreement draft with the Portfolio Company,
 - e) a resolution of the investment committee of the Accredited Fund regarding investment in the Portfolio Company (the resolution may be subject to co-investment by NIF).
- 2.8** NIF, upon receipt of the complete set of documents referred to in point 2.7, shall immediately conduct an analysis of the Portfolio Company's due diligence documentation provided by the Accredited Fund. It also shall conduct an analysis of the resolution of the Accredited Fund's investment committee regarding investment in the Portfolio Company.
- 2.9** NIF is entitled to request from the Accredited Fund explanations regarding the content of information or documents submitted by it under Stage II, if they prove necessary for the proper assessment of the Portfolio Company or the resolution of the Accredited Fund's investment committee.
- 2.10** Upon completion of Stage II analysis, NIF will immediately submit a decision on a co-investment in the Portfolio Company. NIF will make an independent decision to enter or withdraw from the investment in the Portfolio Company.